

# Benefit Bulletin: Big benefit changes and news

Produced by the Active Inclusion Service, Newcastle City Council

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## Universal Credit changes – in and around April 2018

The last [Benefit bulletin](#) described the improvements to Universal Credit announced in the [Autumn Budget 2017](#). Since then a set of regulations, described in [Department for Work and Pensions \(DWP\) guidance](#), have provided more details and when the changes will come in. Here is a quick summary of the main ones:

### Seven waiting days in Universal Credit removed

For most new claims for Universal Credit, there used to be no entitlement for the first seven days. This waiting period was removed from 11 February 2018. It means the first Universal Credit payment will arrive – at the earliest – after five weeks rather than six.

### Improvements to Universal Credit advance payments – reminder

Advance payments of Universal Credit are loans that can be requested straightaway if there is hardship due to the delays in a Universal Credit payment. This can be at the first claim or later, for example, after a change in circumstances. The [DWP say that](#): “anyone who needs help before their first Universal Credit payment can receive up to their full expected Universal Credit within five days, or on the same day if in urgent need.” The latest guidance on advance payments can be found from [gov.uk](#) and the [more detailed guidance from Child Poverty Action Group](#).

### Two weeks’ worth of Housing Benefit for new Universal Credit claimants

From 11 April 2018, those on Housing Benefit who claim Universal Credit will be able to get a further two weeks of Housing Benefit, and it isn’t recoverable. New DWP guidance [HB Circular A2/2018](#).

### Help with paying rent in Universal Credit

These improvements were announced by a government minister in a [House of Commons debate](#):

- Some private tenants have their Housing Benefit paid direct to their landlords, called a ‘managed payment’. When they claim Universal Credit, the Jobcentre Work Coach will know about it and will discuss whether it should be continued
- When a private landlord asks for a managed payment and provides evidence of two months’ arrears, it can be set up without the consent of the claimant – just like Housing Benefit

Details of this support to tenants and landlords can be found in the [government’s guide to landlords](#).

### Temporary accommodation

Like many who live in supported accommodation, those living in temporary accommodation in Universal Credit areas will be able to get Housing Benefit to help them with the rent. This is introduced from 11 April 2018. More details can be found in [DWP guidance](#).

## Claim Free school meals before the Universal Credit restriction on 1 April 2018

Following a consultation, the government decided to introduce an earnings threshold from 1 April 2018, where anyone earning £7,400 a year or more (net) will not be able to claim free school meals. Until that date, anyone receiving Universal Credit can claim free school meals regardless of how much they earn. Plus, their entitlement to free school meals may be protected up to at least 2022, even if their earnings rise above that threshold.

The Council are, therefore, encouraging anyone who is receiving Universal Credit now and who hasn't yet claimed free school meals to do so before 1 April 2018.

For more information and to apply, visit [www.newcastle.gov.uk/freeschoolmeals](http://www.newcastle.gov.uk/freeschoolmeals).

As well as the above, there are two good reasons for claiming free school meals: it could save a parent almost £400 a year per child and could enable the school to gain over £2,000 per year extra funding for every child as well.

In relation to the new rules from 1 April:

- Eligibility will be verified by using an equivalent monthly check verified from the household's most recent Universal Credit assessment periods
- If earnings fluctuate, the government say they will ensure that earnings are checked over a period lasting up to three months (where assessment period data is available)
- In addition, ways are being exploring to ensure that very low-income families can receive free school meals during the initial assessment period for Universal Credit.

For more details on the new rules, see the [consultation and the government response](#) and the [legislation](#) and [new guidance](#) from gov.uk.

## Council Tax Reduction Scheme changes from 1 April 2018

The Council have changed the support that can be provided to a simpler system. For example, the amount of support residents get depends on what income or benefit band they fit in, how savings and other incomes are taken into account (e.g. disability benefits are ignored as income) and a flat rate deduction for non-dependants.

See the Council's webpage explaining the [new 2018/19 scheme](#).

Please note:

- This change only applies for working age residents
- The amount of the Council Tax charge can be reduced for various reasons before the above reduction applies. For example, if a person lives alone it can be reduced by 25%. For more details on that, see the council's webpage [Discounts, reliefs and exemptions](#).

## Mortgage help becomes a loan from 6 April 2018

Just a reminder that this measure is coming in on 6 April 2018.

The main changes were described in [earlier benefit bulletins](#) (July and October 2017).

On 12 March 2018, Kit Matlhouse, the Parliamentary Under-Secretary (Department for Work and Pensions), said that 109,000 (95% of the live caseload) presently getting support with their mortgage interest had been contacted but by 5 March 2018 only around 11% had stated their intention to take up the offer of a Support for Mortgage Interest (SMI) loan.

It important, therefore, that people do read the DWP correspondence on this and make an informed choice to avoid falling behind with any mortgage payments.

See the [new rules](#), the [updated guidance](#) on the gov.uk page and our [changes for housing related benefits](#) web page.

Here is a copy of the [letter](#) and accompanying [booklet](#) that are being sent to people.

## HM Government Payment Service replaces the Simple Payment service

Claimants who are unable to open a bank, building society, Post Office or credit union account may receive their benefit payments by the **Simple Payment Service**. The Government have announced that this service is coming to an end and claimants are being moved to the **HM Government Payment Service** by 20 March 2018.

People will still receive payment the same way (SMS text or card) and will continue to be paid through PayPoint outlets. “New customers who are unable to open and / or manage a bank or other account will be paid by the HM Government Payment Service from 1 February 2018. They will be given the option to be paid by text or pdf email containing a voucher or card.”

For further details, see the letter that was sent to DWP ‘stakeholders’ about this change, which is reproduced below in an appendix, and also see the Citizens Advice webpage on [Payment of benefits and tax credits](#).

## Benefit uprating

As usual, legislation comes out listing the new benefit rates from April. Notable changes are:

- The earnings limit which prevents a claim to Carer’s Allowance increases from £116 to £120 per week from 9 April 2018
- The basic and new State Pension will be increased by the government’s ‘triple lock’ commitment
- Benefits linked to the additional costs of disability, and for carers, are increased by the annual rise in prices
- Most working-age benefits have been frozen at their 2015/16 levels for four years under the Welfare Reform and Work Act 2016.

## Newcastle West Jobcentre closure

Along with closures in other areas, the DWP announced the closure of Condercum House would take place in March 2018 but this has been delayed to “the end of May 2018”. We will keep you informed of changes and support in future benefit bulletins and elsewhere.

## Top tips

Some simple advice about avoiding benefit problems and helping people get their correct benefit entitlement.

### Claiming Universal Credit and avoiding problems - top tips

#### Rent mismatch: get it right - or help with rent stops

If the claimant and the landlord are giving different rent amounts to the Jobcentre, the claimant receives a ‘to-do’ in their Universal Credit online account. This entails the claimant having to clarify the amount online. If it is not done, the rent element will be removed from their Universal Credit.

#### Universal Credit first interview - vulnerable claimant

If the Jobcentre isn’t made aware of a claimant’s vulnerabilities and the claimant does not attend their ‘initial evidence interview’, then the process would in most circumstances be to close the claim the following day. So, professionals working with vulnerable claimants should notify the Jobcentre.

#### Seven days to accept the Claimant Commitment - or the Universal Credit claim is closed

Following a Universal Credit claim, an interview at the Jobcentre takes place which includes agreeing the Claimant Commitment which describes the level of work or work preparation the claimant must undertake to receive Universal Credit. It must be ‘accepted’ online - on the claimant’s online Universal Credit account within seven days. If not, the claim is closed down. Often, claimants are encouraged to do it there and then at one of the computers at the Jobcentre.

#### A note on the Claimant Commitment

The Claimant Commitment must be realistic and professionals who work with claimants can help to clarify what level of work-related activity they should be undertaking - or none at all, if applicable. A letter can help or attending the interview is also welcomed by the Jobcentre.

This kind of advice is covered in the quarterly ‘preventing sanctions’ training. More details on our web page for [‘Information for professionals and volunteers’](#).

#### Keep contact details up to date

Claimants tell the Jobcentre how they want to be contacted – such as by text. If their mobile number changes but they don’t tell the Jobcentre (via their online journal) then the claimant may miss important notices.

Generally, it is important to let the Jobcentre know of any changes that may affect a benefit claim.

#### Use the correct and latest DWP postal addresses

The DWP ask that the correct postal addresses are used, as in [this latest list](#).

## New “bedroom tax” case – for adult placement schemes

In case you are unfamiliar with the “bedroom tax”, if the government deems social tenants to have a ‘spare’ bedroom then their Housing Benefit or equivalent in Universal Credit is reduced. There are exceptions to this. For example, foster carers can have one spare bedroom ignored. A recent court case effectively decided that this can also apply to those who have an adult placement. Please read the tribunal decision to get the correct interpretation: [Secretary of State for Work and Pensions v PE and Bolton Metropolitan Borough Council \(HB\): \[2017\] UKUT 393 \(AAC\)](#), also known as CH/3471/2015.

Such decisions in court (as here by the Upper Tribunal and above, such as the Appeal Court and the Supreme Court) must be followed by decision makers. Those in such situations can request the “bedroom tax” is not applied for a bedroom that is needed when they have an adult placed with them.

## New DWP process following claims from those with mental health problems

Following another Upper Tribunal decision, the DWP have issued [guidance](#) to its officers stating that if claimants with impaired mental, cognitive and intellectual functions are being assessed as incapable of work (in the Work Capability Assessment for Employment and Support Allowance or Universal Credit), the DWP must obtain further medical evidence every time and at the start of the process to avoid breaching the Equality Act 2010.

## New Universal Credit e-learning module

We are pleased to announce the new ‘Introduction to Universal Credit’ module which is now available for you to use as a tool to help your understanding of how to help residents claiming Universal Credit, alongside the other information we provide on our [Universal Credit web page](#). The module can be accessed by both Newcastle City Council and non- Council staff. Please go to our web page for instructions: [www.newcastle.gov.uk/financialinclusionforprofessionals](http://www.newcastle.gov.uk/financialinclusionforprofessionals)

## News from the Department for Work and Pensions

The DWP produce [Touchbase](#) – news for advisers and intermediaries. The latest includes information on:

- The new [Understanding Universal Credit](#) website “to help people find out what Universal Credit means for them”
- New figures on workplace pensions
- News roundup, including 45,000 households moving from the benefit cap into work

### New Universal Credit bulletins

Will be produced “as and when” for local authorities and will mirror Housing Benefit circulars etc. The only one so far has been [UC1/2017](#).

Also, see the [useful benefit information](#) on gov.uk.

## Underpaid Employment and Support Allowance

You may have seen in the news recently that the government have agreed that it underpaid 70,000 claimants by not including the income related part of Employment and Support Allowance when transferring people to the new benefit from Incapacity Benefit. The government have said that claimants do not need to do anything as they will be writing to people during 2018-19 to gather information and decide whether to make the backdated award to 2014. However, adviser organisations (who raised the issue many years ago) are saying it is wrong to limit backdating to 2014 and people should challenge it.

For more details see the DWP guidance [DMG Memo 2/18](#), the [Investigation into errors in Employment and Support Allowance](#) by the National Audit Office and the [news item](#) from Disability Rights UK.

## Further support, information and training

For more information on benefit changes, see our web page [Changes to the benefits system](#) which includes a [timeline of the main benefit changes](#).

More details about benefits can be found on [our welfare rights and money advice web pages](#), including the benefits mentioned above, benefit self-help factsheets and 'Where to get advice in Newcastle'.

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. The bulletin is part of the Active Inclusion Newcastle support to professionals, which includes '**Introduction to benefits**' training. You may also be interested in the **Debt bulletin** which is produced quarterly. [For more details, see our web page for professionals and volunteers](#).

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](mailto:activeinclusion@newcastle.gov.uk)

## Appendix – DWP letter about Simple Payment service

6 February 2018

### Simple Payment service – replacement service

The Simple Payment service is to be replaced by HM Government Payment Service. DWP benefit / pension recipients who are unable to open a bank, building society, Post Office or credit union account may currently be receiving payment by the Simple Payment service. This service is coming to an end in March 2018 and customers are being moved to HM Government Payment Service.

DWP is writing to all Simple Payment customers who are actively using their account to tell them that they will be moving to the new service by 20 March 2018. Most customers will continue to receive payment by the same method (SMS text or card). Customers will be issued with a new card where appropriate. Payment will continue to be through PayPoint outlets in the same way as the Simple Payments service.

New customers who are unable to open and / or manage a bank or other account will be paid by the HM Government Payment Service from 1 February 2018. They will be given the option to be paid by text, pdf email containing a voucher or card.

There are a few changes from the current service:

- Benefits or pensions issued under the new service will need to be withdrawn within 30 days of receipt or the customer will need to contact DWP to have the payment voucher reissued.
- Overall payments will remain the same but will be paid in sums up to £100. For recipients this will mean that if their benefit or pension is over £100 they will receive multiple vouchers requiring separate transactions to collect the money. For example, for those receiving payment by card, to collect a payment of £165 the payment card will need to be used twice, firstly to collect £100 and then again to collect the remaining £65. For those receiving payment via text or email with pdf vouchers they will receive two codes one for £100 and the other for £65. As long as funds at the PayPoint outlet are sufficient this can be done in the same visit.
- Customers can use any of the 29,000 PayPoint outlets to encash payment subject to funds being available at the outlet.

DWP has also been writing to customers who have Simple Payment accounts which have not been used recently, telling them the account will be closed and requesting that they withdraw any balance. If there are any outstanding balances when the account is closed these will be held centrally and the customer will need to contact DWP to arrange payment to an alternative account.

More detailed information will appear on Gov.uk in the near future. We will let you know when this is ready.