

Benefit bulletin: Big benefit changes and news

This benefit bulletin has been produced by the Active Inclusion Newcastle Unit, Newcastle City Council

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Spending Review and Autumn Statement 2015 –summary of benefit changes

The following is a brief summary of the benefit changes announced by the Chancellor in the [Spending Review and Autumn Statement 2015](#) on 25 November 2015.

Tax Credits and Universal Credit

Tax Credits are made of Working Tax Credits, which help people with their wages, and Child Tax Credits, which help people who have children. Universal Credit will eventually replace six working age benefits including Tax Credits.

- **The Working Tax Credits reductions in April 2016, as announced in the [Summer Budget 2015](#), are dropped.**
- **However, the equivalent cuts to [Universal Credit](#) will go ahead from April 2016.** In other words, these reductions in support for workers are delayed. According to the [Institute for Fiscal Studies](#) the Government will still reach its target of [£12 billion cuts to welfare by 2020](#).
- **The Tax Credits income rise disregard reduction from £5,000 to £2,500 from April 2016 continues as planned.**
- Note, the limit of Child Tax Credits to two children (worth about £50 per week per child) and the removal of the family premium in Child Tax Credit (worth about £10 per week per family) will take place for children born from April 2017, as will the equivalent changes in Universal Credit.

Housing Benefit

- **The private sector limit on Housing Benefit, called Local Housing Allowance (LHA), will be applied to social housing (local authorities and housing associations).** This will only apply from 1 April 2018 where a new tenancy is taken out or a tenancy is renewed after 1 April 2016. LHA is a limit on the amount of rent that is eligible for Housing Benefit depending on family make up and location.
- **From April 2016, Housing Benefit is limited to four weeks for claimants who are outside Great Britain.**
- Additional funding for **Discretionary Housing Payments** will be made available to local authorities to help tenants in financial hardship. Our [managing your money](#) webpage gives more details on Discretionary Housing Payments and 'other help if you are worried about money'.

Pensioners

From April 2016:

- The full basic State Pension will again increase by the 'triple lock' by £3.35 to £119.30 per week.
- Those reaching pensionable age will receive a new 'single tier' pension, starting at £155.65 per week.
- The single Pension Credit basic amount will increase by £4.40 to £155.60 per week. The savings credit part of Pension Credit (which 'rewards' people for saving for retirement) will remain frozen.
- Pension Credit will be limited to four weeks for claimants who are outside Great Britain.

The [Government say](#) that around three quarters of people will have notionally higher income under new state pension.

Employment support

- By 2020, **Universal Credit** will extend work support and conditionality to an extra 1.3 million more claimants.
- **Jobseekers** will be required to attend the jobcentre weekly rather than fortnightly for the first three months of their claim and the more intensive Help to Work Programme will be brought forward.
- There will be **increased funding** to help people with disabilities and health conditions to get work and remain in work. For example, a new 'Work and Health Programme' will be introduced after current Work Programme and Work Choice contracts end, to provide specialist support for claimants with health conditions and unemployed for two years. See also the views of [Disability Rights UK](#) and [Centre for Social Inclusion](#).
- From 2017, local areas **including the North East**, "will work with the DWP to co-design employment support for harder-to-help claimants".

Children

- The Government plan to recover unpaid truancy penalties from families' Child Benefit, or through the courts where they do not receive Child Benefit.
- Improved and extended access to childcare is proposed.

DWP

[The DWP will become smaller and more efficient](#), spending 22% less on administration, 34% less on technology and occupying 20% less estate. This isn't a change in benefit amounts, but these changes may have an impact on the ability of claimants and any support worker to make contact and get their benefits sorted out.

Some of the £12 billion reductions in welfare spending announced in the [Summer Budget 2015](#) are incorporated in the new [Welfare Reform and Work Bill 2015-16](#).

18 to 21 year olds in supported accommodation will not lose Housing costs in Universal Credit

The [Summer Budget 2015](#) announced that 18 to 21 year olds would not be able to get Universal Credit housing costs (the replacement for Housing Benefit) from April 2017. However, the Government have confirmed [this will not apply to those in supported accommodation](#) who will still be able to claim Housing Benefit.

Help with health costs under Universal Credit

[Universal Credit](#) is gradually being introduced in areas across the country, with new claims from single jobseekers in Newcastle being taken as a claim for Universal Credit from April 2015. The latest news from the Government says [the transfer of existing cases will be completed by 2021](#). We will let you know when we have the confirmed timeline for the roll out of Universal Credit in Newcastle.

Two 'earnings thresholds' have been introduced that determine **who on Universal Credit can get help with health costs**, such as free NHS prescriptions and dental treatment and travel to treatment costs. [Full details are on the NHS Choices website](#).

Carers: the benefit cap and equality, and 'get your National Insurance credits'

The [benefit cap](#) means that if a claimant's benefit goes above a certain amount, their Housing Benefit is reduced. Exceptions include receipt of Disability Living Allowance or Personal Independence Payment. A recent [court decision](#) found there was unlawful discrimination against carers by failing to include Carers Allowance in the exceptions. The [Government will consider its response](#) but will apply the cap to carers in the meantime.

[Only 5% of eligible carers are claiming 'Carer's Credits'](#). Baroness Altmann says: "If carers are not working full time, these credits can fill gaps in their National Insurance record – helping to bolster the amount of state pension they will receive. It is straightforward to apply and doesn't cost anything".

Personal Independence Payment news and advice

This benefit for people with care or mobility needs is replacing Disability Living Allowance (DLA) for adults.

Changes ahead

The Government published its [second response to Paul Gray's independent review of Personal Independence Payment \(PIP\) assessments](#). This included:

- Text messages will be further used during the claims process to keep people informed and as reminders
- Improved claims process, including digital claims for 2016
- Earlier identification of the best sources of supporting information and possibly more sharing of information
- Improved training and guidance for case managers and health professionals

PIP rollout

The [Office for Budget responsibility](#) suggests that PIP reassessments will not be completed until 2018/2019. For more details about the roll out of PIP, see our [July 2015 benefit bulletin](#) and the [DWP webpage 'DLA is ending'](#). Please note that DLA for children aged under 16 years is not being replaced by PIP.

A tip for PIP

The PIP claim is usually based on medical evidence. You can really help your client by gathering and submitting any relevant and useful information about their condition as early as possible. The PIP criteria can be found in this [Disability Rights UK factsheet](#).

For more details about PIP, see our web page [Changes to benefits for people with care or mobility needs](#) and the Government's [PIP toolkit for partners](#).

Work related conditionality, benefit sanctions and how to avoid them

If a claimant does not comply with various work related requirements, their Jobseeker's Allowance (JSA) can be stopped from between four weeks to three years, and for those on the sick, Employment and Support Allowance (ESA) can be reduced until the claimant complies and then for a set period after that. This is generally known as 'conditionality'.

Benefit sanction numbers continue to fall both nationally and locally. Comparing the same period in the year before, there has been a 31% reduction in benefit sanctions as a **proportion** of those claiming Jobseeker's Allowance in Newcastle. This reflects a reduction in the number of jobseekers but also the joint work between Jobcentre Plus and Newcastle City Council

The **Work and Pensions Committee inquiry into benefit sanctions**, has led to the following [changes in sanctions policy](#) – as outlined in letters from [Iain Duncan Smith](#). Some of which relate directly to the recommendations that Newcastle and its partners made to the inquiry in December 2014.

- Trialling a sanctions (yellow card) warning system in 2016 – giving people chance to provide evidence of good cause, rather than the sanction being imposed immediately
- Reintroducing automated sanction notifications now
- Hardship payment made within three days and improvements for those with mental health conditions and those who are homeless, plus hardship interviews
- Extra 'vulnerability guidance' for Jobcentre Work Coaches, so that work related activity takes account of individual circumstances and needs. This guidance will be made available to the Committee by mid-December
- Looking into Work Programme providers being able to accept good reason rather than having to make an automatic sanction referral
- Providing [JSA and ESA hardship payment](#) statistics from now – which show the DWP made 207,300 JSA and ESA hardship payments from July 2014 to June 2015.

Supporting homeless people to avoid benefit sanctions

Claimants who have recently become homeless are to be treated as available for employment and actively seeking work where they are taking reasonable steps to find living accommodation.

[The DWP are asking those supporting people](#) who have recently become homeless or at risk, to encourage them to declare their housing status so that Work Coaches can discuss the range of flexibilities in the [Claimant Commitment](#) – which applies to claims for Universal Credit and Jobseeker's Allowance.

Preventing benefit sanctions – workshops and information

Newcastle City Council and Jobcentre Plus are working together to support residents to avoid getting benefit sanctions. For example, we hold quarterly 'Preventing Benefit Sanctions' workshops. If you want to attend one, please email [Active Inclusion Newcastle](#) giving your name, email address, phone number, team and organisation.

Other news

Parliament's Work and Pensions Committee has launched an [inquiry](#) into funeral poverty and bereavement benefits following a freedom of information request showing **'paupers' funerals have risen by 30%** in the last four years.

A report from the New Policy Institute 'Monitoring Poverty and Social Exclusion 2015' says, amongst other information, that [42% of people eligible to claim income based Jobseeker's Allowance \(JSA\) in 2013/14 did not claim it](#).

A report in the Journal of Epidemiology and Community Health article has found [significant increase in suicides, self-reported mental health problems and prescription of antidepressants](#) for claimants whose benefit was reassessed between 2010 and 2013, with the authors asking the DWP for [more data to allow further analysis](#).

The Trussell Trust report that [benefit delays and changes remain the biggest causes of foodbank use](#), with 'hunger' being a major issue.

News from the DWP

Sign up for the [DWP's Touchbase](#) – news for advisers and intermediaries. For example:

- [State Pension Credit can be claimed online](#) from December 2015
- The DWP recently launched a [new tailored support service for unemployed disabled people](#).

Further information and help

Can be found on [Newcastle City Council's welfare rights and money advice web pages](#), including on the benefits mentioned above, where to get advice in Newcastle, benefits self-help factsheets and changes to the benefits system.

This benefit bulletin was written in **December 2015** 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 offer of support to professionals, which includes benefits and debt awareness **face to face training** and **eLearning**. [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