

# Benefit Bulletin: Big benefit changes and news

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Produced by the Active Inclusion Service, Newcastle City Council

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## Newcastle City Council website pages on coronavirus (COVID-19) and benefits

We continue to update these three website pages:

[Coronavirus and benefits – what the changes mean for you](#) describes the main measures, explains what they mean for you and provides more detail including any potential issues

[Coronavirus and benefits – news](#) includes the latest announcements and changes, so you can see them as they happen rather than being hidden in the detail

[Coronavirus and benefits – guidance and legislation](#) provides background resources, with guidance from the government and independent sources and the legislation that has brought in some of the measures

### 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 December 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](#).

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

### News on coronavirus (COVID-19) and benefits

In March the Government introduced measures to support people during the pandemic. Some were time limited. From June, the Government announced how some of this support would continue or be reduced. These are described in earlier [Benefit Bulletins](#) and the [Coronavirus and benefits](#) webpages.

The following summarises some of the key changes since then, including those announced in November. This does not cover all the measures. For those, please see our [Coronavirus and benefits](#) webpages. This information relates mainly to benefits but also includes other related changes.

#### Jobcentres Plus office availability and extended opening times

The Department for Work and Pensions (DWP) changed to mainly contact by telephone and for Universal Credit, the online journal. The DWP [said](#) that Jobcentres continue to remain open in a limited way “to provide essential services and support to those whom we cannot help in any other way” and “[jobcentre staff will still meet vulnerable customers](#) including those fleeing domestic abuse”.

More details from the government page [Employment and benefits support](#).

Our local Jobcentre Partnership Manager has said “The extension to 8pm in the evening is paused but I believe to 6.30pm and Saturday is still going ahead from December in selected sites.”

## Employment and Support Allowance and Universal Credit

Employment and Support Allowance (ESA) is a benefit for those who have a disability or health condition that affects how much they can work. The 'limited capability for work' test in ESA (carried out under the 'work capability assessment') determines whether a person has scored enough points to get ESA. This test also applies to Universal Credit, so the changes relating to 'limited capability for work' here are also shared by Universal Credit, although there are some differences.

In March 2020, [regulations](#) stipulated that for ESA and Universal Credit, anyone 'affected by coronavirus' could be **treated** as having 'limited capability for work' until 12 November 2020. [Regulations](#) in October 2020 extended this period to 12 May 2021 **for ESA but not for Universal Credit**. See the Universal Credit section below for more details.

Anyone 'affected by coronavirus' means:

- you or your child think you have coronavirus (COVID-19) or are recovering from it
- you or your child is self-isolating because they came into contact with someone who might have coronavirus (COVID-19)
- you have been told to [shield](#) by the NHS because you're at high risk of severe illness

Claimants will be contacted at regular intervals to check if they are still affected by coronavirus and if no other health conditions exist, the DWP may decide they no longer have 'limited capability for work' and may terminate the award.

In March 2020, [regulations](#) meant that the seven 'waiting days' for ESA for new claimants do not apply if they are affected by coronavirus, meaning that it will be payable from day one, and they don't have to provide a fit note. [Regulations in October 2020](#) extended the period this would apply to 12 May 2021.

### Health assessments

Earlier this year, health assessments under the 'work capability assessment' for ESA and Universal Credit were carried out over the phone, but with a 'light touch' if the claimant didn't take part. From [2 November 2020](#), this changed and DWP appointment letters make it clear that claimants **must** attend and take part in their phone interview. If they don't, they will be given the chance to explain but, ultimately, their benefit may be sanctioned (reduced) or stopped.

### Jobseeker's Allowance

Jobseeker's Allowance is a benefit for those who are fit and looking for work. Work search and availability for work requirements were suspended for three months from [30 March](#). In July 2020, the Secretary of State for Work and Pensions [announced](#) they were being reintroduced. More details from [Understanding Universal Credit](#).

On 5 November 2020, a government minister said that they are [protecting vulnerable claimants](#) by "exempting those with more serious medical conditions and disabilities from any form of conditionality and sanctions. Our guidance continues to be tailored in light of the ongoing public health situation, the national working environment and of their health condition to ensure it is reasonable."

## Universal Credit

As noted above, Universal Credit claimants can no longer be treated as having limited capability for work (being unfit for work) if they or their child are 'affected by coronavirus'. However, there are other ways in which you can be so treated. We list these in our factsheet [The Employment and Support Allowance and Universal Credit 'work capability assessment' criteria](#) on our [benefit information](#) webpage.

The basic amount of Universal Credit was increased by £20 per week from 6 April 2020. At the time of writing, we are unsure if the Government will maintain this uplift beyond March 2021. See [Coalition warns it would be a terrible mistake to cut the £20 uplift to Universal Credit](#) from the Joseph Rowntree Foundation.

To cope with the numbers claiming Universal Credit, the DWP created the system '[Don't call us – we'll call you](#)', where people just need to make the claim online and they will be contacted by the Jobcentre. This is still in operation.

[Claimant Commitment](#) interviews over the phone were [introduced](#) from July 2020. These interviews determine the level of work-related activity you are reasonably able to do.

As with Jobseeker's Allowance, work search and availability for work requirements were also reintroduced from July 2020 and, as with ESA, the requirement to take part in telephone assessments was introduced from 2 November 2020.

## Help for the self-employed in Universal Credit

For the first 12 months of self-employment, the Universal Credit calculation takes actual income into account. After 12 months a rule called 'minimum income floor' is usually applied, where a minimum income from the self-employment is assumed, whether you are earning it or not. From March 2020 the 'minimum income floor' rules were suspended and on [3 November 2020](#), the Government confirmed this would continue until the end of April 2021.

## Help with paying Council Tax

In addition to discounts and exemptions from the Council Tax bill itself and the means-tested Council Tax reduction scheme, the Government gave more money to councils to reduce the Council Tax bills of working age people receiving Council Tax Reduction by £150. This is automatically deducted from the Council Tax bills of those residents already in receipt of Council Tax Reduction. More information is on the Newcastle City Council website page [Coronavirus – Information relating to Council Tax](#).

More information about Council Tax from [Citizens Advice](#)

## Working Tax Credit – special rules extended

To get Working Tax Credit you normally have to be working (a certain number of hours) but you can be treated as working and still get Working Tax Credit up to 28 weeks if, for example, you get Statutory Sick Pay. From May 2020, you can also continue to get Working Tax Credit if your work stops or hours drop due to coronavirus, such as being furloughed. This was due to end 31 October 2020 but will continue during the furlough scheme or even later.

## Disability benefits face-to-face assessments, reviews and reassessments

Disability benefits and the incapacity for work test in ESA and Universal Credit usually involve having regular appointments with health professionals to prove you satisfy the tests for those benefits. For a temporary period, [from 24 March 2020](#), these face-to-face assessments were suspended and awards due to expire were extended for a number of months.

On 6 July 2020, the Government [announced](#) reviews and reassessments would gradually resume for Personal Independence Payment (PIP) and Disability Living Allowance (DLA), which could involve either telephone or paper-based assessments, with the DWP starting to contact people. On [19 October 2020](#) and [9 November 2020](#), the DWP confirmed however, that “face to face reviews and reassessments remain suspended”.

The DWP have confirmed a similar process is taking place for those receiving Attendance Allowance and for children receiving DLA who are approaching 16 years old and need to claim PIP.

The DWP have told advisers regarding Attendance Allowance “The first customers to be affected will be those whose Attendance Allowance awards expire on or after the 8 March 2021. These customers will be receiving renewal packs in the coming weeks and will have the normal 20 week period to complete and return their packs prior to their award expiring.

Awards that were due to expire before 8 March 2021 have been automatically extended and will remain in payment until they are subject to a review at a later date. Customers should be reminded that they are still required to inform the department if their circumstances change.”

On 3 September 2020, the Government [explained](#) that reassessments for Industrial Injuries Disablement Benefit were also suspended and this suspension [remained](#) as of 4 November 2020.

### Potential for confusion:

Normally the DWP send DLA or PIP claimants a renewal form six months before the awards are due to end. Claimant should usually return the completed form as soon as possible and before the award ends. However, as mentioned above, the DWP are also telling people that their award has been extended and they don't need to return the renewal form. In which case, they should contact [DLA](#) or [PIP](#) to double check.

### DLA claimants who have been told to claim PIP

If this is the case, you should claim PIP by the date on the letter. If you need more time, you can contact the PIP helpline to ask for an extension.

More details from [Disability Rights UK](#).

The Social Security Advisory Committee has raised concerns in their [review of the COVID-19 temporary measures](#) that some claimants are being excluded from their full entitlement to benefit due to the suspension of face-to-face assessments.

## Disability benefit warning

If you get a disability benefit, have a change in needs and you think you are entitled to a higher amount of PIP, for example, you can still contact the DWP – but do be certain you are entitled to the higher amount as the DWP can relook at the whole award.

## Allow more time for calling disability benefits

Our advisers report it is taking longer than usual to get through to the PIP phone line, so be ready with tea and biscuits.

## Plans for a minimum award length for Personal Independence Payment delayed

The [Office for Budget Responsibility's](#) November report has revealed (paragraph A.37) that the Government plan in [Budget 2020](#) to introduce a minimum award length for PIP of at least 18 months has been delayed until April 2021.

## Those having difficulty claiming benefits because of a disability or health condition

During the pandemic, the [Government has expanded](#) ways in which they can be contacted by those who have difficulty in using the normal channels, such as telephone or internet. For example, the [video relay service](#) for those with hearing and speech difficulties has been [expanded](#) to cover many benefits.

It is [possible](#) for someone supporting a claimant to phone the DWP on behalf of someone via a **three-way** or **conference call**.

Also see [Extra help and support under Universal Credit - including in Newcastle](#) on our Universal Credit webpage which includes a two sided document on ways to get help

## Carer's Allowance

Carers can continue to get Carer's Allowance if there is a temporary break in care because they or the person they're caring for have coronavirus or are self-isolating. This will apply until [13 May 2021](#).

## Appealing against a benefit decision to a tribunal

From March 2020, the HM Courts & Tribunals Service began to hear appeals over the telephone. In November 2020 limited optional video hearings were introduced. More information is available on [GOV.UK](#)

## Emergency payments

When notified by the DWP, the [Post Office can make an urgent cash delivery payment](#) to those who are shielding because of the risk of infection should they leave their home.

## Prisoners

The law was amended to allow prisoners on temporary release due to coronavirus (COVID-19) to claim certain benefits and for others to claim for them. This initially applied until 12 November 2020 but was [extended](#) by [regulation](#) to 13 May 2021.

## Other related changes include:

### Support for employees – furlough scheme extended

The [Coronavirus Job Retention Scheme](#) (known as the ‘furlough’ scheme) helps employers to keep staff on their payroll when they have had to close or scale back due to coronavirus (COVID-19), rather than making them redundant. The scheme pays a percentage of employees’ wages, up to a certain amount per month.

The Job Support Scheme was supposed to replace the Job Retention Scheme from 1 November 2020 but was postponed because, on 31 October 2020, the Government [announced](#) the Job Retention Scheme would be extended with the UK government paying 80% of ‘usual wages’ for the ‘usual hours’ furloughed employees do not work, up to a cap of £2,500, from 1 November 2020 until 31 March 2021 with a review in the new year. [More details of the scheme](#) from GOV.UK.

By [18 October 2020](#), 1.2 million employers had furloughed 9.6 million jobs with claims made totalling £41.4 billion.

### Support for the self-employed

The [Self-Employment Income Support Scheme](#) allows people who are self-employed to claim a taxable grant when they have lost trading / partnership trading profits due to coronavirus (COVID-19), with two grants covering March to August 2020.

On 24 September 2020, it was announced the scheme was to be further extended with a third to cover the period between 1 November 2020 to 31 January 2021 – providing a taxable grant calculated at 80% of three months’ average monthly trading profits, paid out in a single instalment and capped at £7,500 in total. [This is an increase from the previously announced amount of 55%](#). The fourth covers the period from 1 February 2021 to 30 April 2021, with details to be announced.

By [30 September 2020](#), 2.3 million claims had been made for the second grant totalling £5.7 billion.

See also the change to the minimum income floor rules under Universal Credit above.

### Test and Trace Support Payment and self-isolation duty

From 12 October 2020, people on low incomes who cannot work from home and lose income as a result, can apply for a payment of £500 by completing an online form. “Test and trace support payments are part of a new legal duty for people to self-isolate, which came into force on 28 September, and ensures that those on low incomes are able to self-isolate without worrying about their finances. Government has asked local authorities to administer the payments. The payment scheme came into effect at the same time as tougher new sanctions for people who fail to self-isolate could be fined £1,000, with fines rising to £10,000 for multiple breaches. The scheme is set to be in place until 31 January 2021.” [Details of the scheme rules and how to apply](#) from Newcastle City Council.

### New winter package to provide further support for children and families

On [8 November 2020](#), the Government announced that “children and families will get extra support this winter, with councils given new funding to ensure vulnerable households do not go hungry or without essential items”. The announcement included:

- A £170m [Covid Winter Grant Scheme](#) to support children, families and the most vulnerable over winter to enable councils to provide food for children who need it during the school holidays up to the end of March 2021
- A Holiday Activities and Food programme to be expanded across England during Easter, Summer and Christmas in 2021
- An increase to Healthy Start scheme payments (England and Wales) from £3.10 to £4.25 per week from April 2021
- £16m to fund local charities through established networks and provide immediate support to front-line food aid charities

## Help with mortgages

On [31 October 2020](#), the Financial Conduct Authority said “borrowers who have been impacted by coronavirus and have not yet had a mortgage payment holiday will be entitled to a six month holiday, and those that have already started a mortgage payment holiday will be able to top up to six months without this being recorded on their credit file”. This extends some of the support for those with mortgages that was [introduced in March 2020](#).

## Special email for advisers

Since March we have been providing regular emails once or twice a week to help keep advisers up to date with fast moving developments on coronavirus and benefits, plus other benefits information. If you advise people on benefits and would like to receive this email, please email [activeinclusion@newcastle.gov.uk](mailto:activeinclusion@newcastle.gov.uk) asking for the ‘advisers email’ and stating your name, phone number and role.

## Other benefit news and issues

### Jobcentre Plus opening and benefit payments over Christmas and New Year

The DWP have provided details about [Jobcentre Plus office opening](#) and [benefit payments](#) over Christmas and New Year on GOV.UK.

### Universal Credit and getting a disability benefit – protection to end

Since 16 January 2019, those who were entitled to the severe disability premium in the ‘legacy benefits’ that Universal Credit is replacing, have been prevented from claiming Universal Credit in order to protect them from dropping down to a lower amount of Universal Credit.

However, the Government plan to end this protection on 26 January 2021, so they will share the same rules like others on legacy benefits, as follows – if they have a change in circumstances which means they would normally claim a **new** legacy benefit, they would not be allowed to claim that legacy benefit and have to claim Universal Credit instead. Their entitlement to their legacy benefits would end.

It is, of course, more complicated than that and there are many circumstances where they could claim a legacy benefit instead of Universal Credit. We have produced a [table](#) showing when they would have to claim Universal Credit and when they would not.

If they had the choice, our advice is always to get a benefit check to compare. See our pages [Benefit advice services in Newcastle](#) and [Check your entitlement to benefits online](#).

This extra amount was paid separately from a person's Universal Credit and protected from any changes in income. However, from [8 October 2020](#) it is paid as part of Universal Credit – shown as 'transitional protection' on the Universal Credit account. It will reduce over time and if a person's Universal Credit increases.

More details from [revenuebenefits](#).

### **Universal Credit monthly income rule unlawful – guidance and advice**

A Universal Credit payment is based upon the monthly assessment of income. This has caused problems for those whose wages may fall twice in a Universal Credit monthly assessment period, leading to no Universal Credit payment. Following a court case which found the rules irrational, the Government have put in place a workaround from 16 November 2020, where DWP staff can reallocate a second monthly payment from an employer into a different assessment period. Details in guidance [ADM Memo 27/20](#) issued on 16 November 2020.

A single mother who was affected by the benefit cap due to the way her income was treated has won her case at the High Court but the DWP are seeking leave to appeal this decision. Details are in the [September 2020 Benefit Bulletin](#). In the meantime, people in such a situation are advised to seek advice and think about putting in a challenge now pending the final outcome.

### **Universal Credit in Newcastle numbers and rollout**

At 8 October 2020, the latest DWP statistics showed that there were 35,151 people on Universal Credit in Newcastle. This represents an increase of 446% since April 2017 (43 months) and a 53% increase since March 2020. Universal Credit continues to replace six legacy benefits. Of the total households on Universal Credit and legacy benefits in Newcastle, Universal Credit accounted for 65% (29,815). In other words, the rollout of Universal Credit is 65% complete in Newcastle. Nationally, it is 57% and it is 57% in the North East.

NB. The Government now expects the rollout of Universal Credit to be complete by September 2024 rather than December 2023, but the [Office for Budget Responsibility](#) estimate that the end point is more likely to be September 2026. These estimates were made before the coronavirus (COVID-19) pandemic.

### **Post Office payments to existing claimants to stop on 30 November 2021**

This is part of the Government's attempt to move people onto bank or similar accounts, although the [Payment Exception Service](#) is still available "for people who do not have a bank account to collect benefit or pension payments". More details and what to do instead from [GOV.UK](#).

### **Housing Benefit for private tenants – cuts reduced then increased**

Housing Benefit for private tenants is called Local Housing Allowance (LHA) and is calculated differently. One of the coalition government's welfare reforms was to cut the amount of LHA. Some of this cut was undone from April 2020, promising a welcome increase for private tenants but the recent Spending Review refroze it from April 2021. "This means the £1 billion cost of the measure in 2020-21 declines to £0.3 billion by 2025-26" and falls back to the original cut over time says the [Office for Budget Responsibility report on the Spending Review 2020](#).

## Brexit and the EU Settlement Scheme

Free movement for people between the European Union (EU) and some other countries ends on 31 December 2020, with a new immigration system for those wanting to come to the UK from 1 January 2021. If you are an EU, European Economic Area or Swiss citizen, you and your family can continue living in the UK so long as you apply to the [Settled Status scheme](#) before 30 June 2021.

The local organisations who can advise people and help apply for Settled Status for free are:

- Riverside Community Health Project:  
Phone 07943 197 249. Email [USSadvice@riversidechp.co.uk](mailto:USSadvice@riversidechp.co.uk)
- Children's Society North East:  
Phone 0191 349 9481. Email [euss@childrenssociety.org.uk](mailto:euss@childrenssociety.org.uk)
- Your Homes Newcastle:  
Phone 0191 277 1190. Email [EUSS@yhn.org.uk](mailto:EUSS@yhn.org.uk)

Support for people who need specialist legal advice is available from North East Law Centre who operate a weekly advice line on Fridays from 10.00am to 1.00pm (phone 0191 230 4777).

## Destitution news

The number of people experiencing destitution at some point during the year has risen according to the [Joseph Rowntree Foundation](#).

See also their report [The financial impact of COVID-19 on disabled people and their carers](#).

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

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