

Benefit bulletin: Big benefit changes and news

Produced by the Active Inclusion Newcastle Unit, Newcastle City Council

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The lower benefit cap is being introduced in two stages

The 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 affected residents will see their benefits reduced or further reduced.

This will be implemented in Newcastle as follows:

- All those people who are currently capped under the earlier cap levels have the new lower cap applied from **7 November 2016**
- Those not presently capped but would be under the new lower cap will be capped from **about 26 December 2016**

In each case, the Department for Work and Pensions (DWP) notify the claimant and local authority of who shall be capped. However, this is a fluid situation. As people's circumstances change they may move in and out of the cap. For example, an exemption may mean they should not be capped. Alternatively, having another child or losing an exemption may bring them into the cap.

New 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 in Universal Credit or Guardian's Allowance are exempt from the benefit cap. This includes those who have an 'underlying entitlement' to Carer's Allowance, where Carer's Allowance is claimed but not awarded only because another similar 'earnings replacement' benefit, like Retirement Pension, is being paid. The cap is removed for those with these exemptions on 7 November 2016.

Support for those capped in Newcastle

Newcastle City Council and Your Homes Newcastle (YHN) are targeting support to those households to help them to increase their income or reduce their expenditure, including advice on exemptions, benefit entitlement, budgeting, debt, employment and housing. For support:

- YHN tenants should contact Sarah Thomas, Advice and Support Worker on 0191 278 8754, alternatively email benefitcap@yhn.org.uk
- Non YHN tenants, such as private or housing association tenants, can contact the City Council's Active Inclusion Unit on 0191 277 1707

Impact in Newcastle

DWP figures estimate that 570 households in Newcastle are expected to be capped. Currently 59 households are capped. The weekly average loss to the city is estimated at £29,610. The weekly average loss per household is estimated at £51.95. See also a recent government [impact assessment for the benefit cap](#).

More details on the benefit cap and exemptions are available online from [GOV.UK](#), [Citizens Advice](#) and the [DWP guidance to local authorities such as A10/2016](#).

The government announce plans for supported housing regarding the changes to Housing Benefit and rent for social housing

Social sector Housing Benefit limited to private sector levels

In the 2015 Spending Review, the government said that from April 2018 it will limit Housing Benefit for social (council and housing association) tenancies to private sector levels where a new tenancy was taken out or renewed after 1 April 2016. This limit is called Local Housing Allowance (LHA) and is a limit on the amount of rent eligible for Housing Benefit depending on family make up and location.

However, the Government recently announced that **for supported accommodation:**

- LHA rules will be deferred until 2019/20, when a new funding model for supported accommodation will be introduced, and
- The lower LHA limit of the 'Shared Accommodation Rate' for under 35 year olds will not apply.

Reduction in social sector housing rents

In the 2015 Summer Budget, the government announced a reduction in social housing rents by 1% for four years from April 2016. Supported housing was given a one year deferment but this has been extended to three years, until 2019/20.

For more details, see Damian Green MP's [written statement to Parliament](#), the government's press release on the [new funding model for supported accommodation](#), the [2015 Spending Review](#), the [2015 Summer Budget](#), and an explanation of [Local Housing Allowance](#).

Universal Credit

Help with Healthy Start under Universal Credit

The rules for getting help with the Healthy Start scheme food and vitamins under Universal Credit are introduced from 1 November 2016. Details are available on the [Healthy Start website](#).

See also the [new rules from 1 December 2016](#) for **help with Health Costs** under Universal Credit where, for example, people will be able to claim back a payment made and both Universal Credit claimants' income will be taken into account. More details are available on the [NHS Choices website](#).

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 [Universal Credit - information on support arrangements in Newcastle](#).

More details about Universal Credit, including the roll out in the new year

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

Two year restriction on disability benefits for refugees is lifted

Following a court case, the DWP have decided to remove the two year 'past presence' rule where certain people from abroad have to live in the UK for two years before they can claim a disability benefit.

It applies to these benefits:
Disability Living Allowance (DLA)
Personal Independence Payment (PIP)
Attendance Allowance (AA)
Carers Allowance (CA)

DWP guidance says: "The past presence test is no longer to be applied to claims for PIP, DLA, AA or CA submitted by refugees and their family members or to people with Humanitarian Protection* status and their families."

* Humanitarian protection is a form of immigration status. It is granted by the Home Office to a person who it decides has a need for protection but who does not meet the criteria for refugee status.

Note: this does not mean they automatically get the benefit. The normal rules for these benefits still have to be satisfied.

Further details can be found in DWP guidance: [DMG Memo 20/16](#) and [ADM Memo 21/16](#).

What happens now?

- New claims for these benefits by such people can be made **now** without the two year wait.
- Those who appealed the refusal but the decision was 'stayed' (delayed pending the court case) can ask the tribunal service to reconsider.
- For those people who claimed and were refused due the two year test but did not appeal or request a reconsideration of the decision should seek advice as they could submit a late appeal or a reconsideration request, although there is a rule that might restrict backdating.

A copy of the court judgement which found the waiting period was unlawful for such people is available on the [Tribunal website](#).

Also see this link to the [announcement by CPAG](#) who took the case.

Employment and Support Allowance test and other changes ahead

There have been some recent government announcements on the Employment and Support Allowance (ESA) medical assessment.

“Pointless” Employment and Support Allowance reassessments

In October, Damian Green MP, Secretary of State for Work and Pensions, said **“pointless” ESA reassessments would be abolished for those with lifelong, severe health conditions with no prospect of improvement.** He later clarified in a [statement to Parliament](#) that it would only “apply to those people who have already been placed in the ESA support group or Universal Credit Limited Capability for Work and Work-Related Activity categories following a Work Capability Assessment and who have the most severe health conditions and disabilities ...” Details will be drawn up together with health professionals and disability charities.

Government consultation on ‘work, health and disability’ proposals

Shortly after, Damian Green MP [announced to Parliament](#) a **Green Paper on ‘work, health and disability’, which involves a large rethink of sickness support and related benefits.** This [consultation closes on 17 February 2017](#) and is published by both the DWP and the Department for Health. See also the [DWP press release](#) and initial responses from organisations such as [Disability Rights UK](#) and [RNIB](#).

More details about these proposals will be included in future benefit bulletins.

Other benefit news and information

Two child policy exceptions consultation

The government propose to introduce a ‘two child policy’ for Tax Credit and Universal Credit claimants. Put simply, the child element (worth about £50 a week) will no longer be awarded for third and subsequent children born on or after 6 April 2017. More details will be provided in later benefit bulletins.

The government propose some exceptions from this policy, such as if the child is part of a multiple birth, disabled or due to a rape, kinship carers, adopted children, children living long-term with friends or family and who are at risk of entering the care system and so on. The government have announced a [consultation on such exceptions](#) which is due to close on 27 November 2016.

The future of Attendance Allowance

In December 2015, the Government proposed “giving more responsibility to councils in England, and to Wales, to support older people with care needs – including people who, under the current system, would be supported through Attendance Allowance”. For details see this recent [briefing paper to Parliament](#) and the [latest report from Disability Rights UK](#) on responses to the consultation. [Disability Rights UK](#) produce the very useful Disability Rights Handbook and factsheets.

Falling sterling, rising prices and the benefits freeze

A [recent report by the Institute for Fiscal Studies](#) considers the impact of just one welfare reform, which froze working age benefits until 2020.

Benefit appeal statistics

The [latest DWP statistics](#) show the percentage of appeals found in the claimant's favour:

- 65% of PIP decisions overturned;
- 60% of ESA decisions overturned;
- 57% of DLA decisions overturned;
- 46% of Jobseeker's Allowance decisions overturned; and
- 23% of Housing and Council Tax Benefit decisions overturned

See also '[How do I challenge a benefits decision](#)' on our website.

HM Revenue & Customs contract with Concentrix to end

Following [major criticisms of the way Tax Credit claimants were dealt with by Concentrix](#), who were contracted by HM Revenue & Customs (HMRC) to support their anti-fraud and error interventions, HMRC have announced their contract with them would not be extended. The National Audit Office [announced a factual investigation](#) into Concentrix's performance and a [House of Commons debate](#) called on the government to conduct a comprehensive investigation into the performance of Concentrix and to take urgent action for compensation for those affected.

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

Tip 1: Universal Credit

As Universal Credit is being rolled out in different stages in different areas across Newcastle, **it is important to know what kind of Universal Credit area someone lives in** to know what benefit rules apply to them. This is determined by the postcodes for the areas covered by each Jobcentre Plus office. Details can be found on our [Universal Credit web page](#), which includes a postcode checker and map.

Tip 2: Employment and Support Allowance support group

This is the 'group' that ESA claimants may go into if they are more disabled, where they get a little bit more money than those in the 'work-related group' and, due to their health, do not have to take part in any work-related activity. There is an equivalent in Universal Credit.

Make sure you know the qualifying rules for the support group or how someone can be treated as satisfying the rules. Check out our [factsheet](#) on the support group on our [benefit information page](#).

News from the DWP

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

- State Pension forecasts online
- GOV.UK Verify – the new way to prove who you are online
- Do you need help explaining changes to DLA to claimants?
- National Insurance credits help forces' spouses/civil partners protect their future State Pension
- Universal Credit and advice for employers
- State Pension top up – six months left to apply

Further 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 in **November 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