

Benefit bulletin: Big benefit changes and news

Produced by the Active Inclusion Newcastle Unit, Newcastle City Council

In this issue

The benefit cap	1
Support for those capped in Newcastle	2
Benefit cap analysis	2
Universal Credit	2
Attend the Universal Credit information session on 1 February 2017	2
The roll out of Universal Credit in Newcastle	3
Support for Newcastle residents claiming Universal Credit.....	3
Universal Credit analysis.....	3
Speaking to the Jobcentre on behalf of a Universal Credit claimant	3
Benefit changes planned for April 2017	3
Family amount removed.....	4
Two child limit	4
Earners allowed to keep more Universal Credit	4
£29 per week removed from those on the sick.....	4
Permitted work 52-week limit removed	4
Housing costs element removed from Universal Credit for 18 to 21 year olds.....	5
Increased conditionality extended to those with younger children	5
New Bereavement Support Payment	5
‘Pay to stay’ plans withdrawn	5
Other benefit news and information	5
The future of Attendance Allowance	5
Employment support	5
The National Minimum Wage.....	6
State Pension top up – less than three months left to apply	6
HM Revenue & Customs news	6
News from the Department for Work and Pensions	6
Welfare reforms considered by Newcastle City Council’s Cabinet	6
Further information and training	6

The benefit cap

The benefit cap is a limit on the maximum amount of out-of-work benefits that most working age families can receive. Originally set in 2013, the cap amount has been lowered recently from £500 to £385 per week for people with children or couples without children, and from £350 to £258 per week for single people without children. The amounts are higher in London. This means that more residents are seeing their benefits reduced or further reduced.

There are several reasons why a person may be **exempt** from the cap, for example if someone in the family receives a disability benefit like Personal Independence Payment or Disability Living Allowance or works a certain amount. **New exemptions were introduced from 7 November 2016**, such as for those entitled to Carer's Allowance.

More details on the benefit cap, exemptions and support are available online from our [benefit changes web page](#), [GOV.UK](#), [Citizens Advice](#) and [Department for Work and Pensions \(DWP\) guidance to local authorities, such as A10/2016](#).

Support for those capped in Newcastle

Newcastle City Council and Your Homes Newcastle (YHN) are targeting support to capped families to help them to increase their income or reduce their expenditure, including advice on exemptions from the cap, checking benefit entitlement and providing budgeting, debt, employment and housing information, advice and support.

- **YHN tenants** can contact the YHN Benefit Cap team by phone on 0191 278 8754 or email benefitcap@yhn.org.uk
- **Non YHN tenants**, such as private or housing association tenants, can contact Newcastle City Council's Active Inclusion Newcastle Unit by phone on 0191 277 1707 or email activeinclusion@newcastle.gov.uk

Benefit cap analysis

In Newcastle, the lower benefit cap has been applied to 335 households, an increase on the 57 capped at the end of November 2016.

There are various national analyses of the lower benefit cap. For example, the government [impact assessment for the benefit cap](#) explains the thinking and savings behind lowering the benefit cap and estimates an average cut to benefit of around £60 per week for those who for example do not go into work; the [Chartered Institute of Housing](#) provides details of the cap's regional impact; the [Institute for Fiscal Studies report](#) considers the direct effects of lowering the benefit cap; and the [report on the benefit cap for Parliament](#) provides an overview.

Universal Credit

Attend the Universal Credit information session on 1 February 2017

Newcastle City Council are holding an information session with the DWP and YHN on Wednesday 1 February (1pm to 2pm) in the Civic Centre Council Chamber to give multi-agency staff and volunteers an opportunity to find out more. Places must be booked in advance by [email](#), stating which organisation you represent.

The roll out of Universal Credit in Newcastle

Last year 'full service' Universal Credit was rolled out to those living in the area covered by Newcastle City Jobcentre (Cathedral Square).

From **8 February 2017** 'full service' Universal Credit is rolled out to the area covered by Newcastle East Jobcentre (Coquet House) and from **15 March 2017** it is rolled out to the area covered by Newcastle West Jobcentre (Condercum House). This will complete the roll out of 'full service' Universal Credit to the whole of Newcastle.

There are two major caveats to this:

- This only covers **new claims** for Universal Credit. To find out what happens to those who are already receiving the benefits that Universal Credit is replacing, see our [Universal Credit web page](#).
- From April 2017, those with **three or more children** will not be able to make a new claim for Universal Credit. They will be advised to claim instead Tax Credits, Housing Benefit and any of the six benefits that Universal Credit is replacing. This is part of the 'two child limit' rule which is being introduced in April 2017. For more information on that, see 'Benefit changes planned for April 2017' below.

Support for Newcastle residents claiming Universal Credit

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

Universal Credit analysis

A [recent report by the National Federation of ALMOs](#) and the Association for Retained Council Housing found for example, that 86% of Universal Credit claimants living in council owned homes are in rent arrears (compared to 79% six months earlier) and that the average value of arrears tenants owed across Universal Credit households has almost doubled to £615 since 31 March 2016. The [DWP statistics](#) show that by December 2016 there were 4,308 people claiming Universal Credit in Newcastle. This number will rise with the roll out described above.

Speaking to the Jobcentre on behalf of a Universal Credit claimant

The DWP has laid out how claimants can give advisers and others supporting them consent to discuss their Universal Credit award with Jobcentre Plus. [The DWP's Director General of Universal Credit letter to 'colleagues working in the welfare advice sector'](#) lays out the various ways the claimant can give time limited 'explicit consent' via the claimant's online Universal Credit account and over the telephone etc.

More details about Universal Credit

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

Benefit changes planned for April 2017

Most of the following benefit changes were announced in government budgets and spending reviews. More details will be provided in later benefit bulletins and added to our [benefit changes web pages and timeline](#).

Family amount removed

In Child Tax Credit, you get an extra amount of £545 per year called the family element for having children. This will not be available for those starting a family from April 2017. The equivalent in Universal Credit, called the first child premium, will also not be available for new claims after April 2017. In Housing Benefit, the family premium was withdrawn for new claims in May 2016.

Two child limit

In Child Tax Credit, Housing Benefit and Universal Credit you get an amount for each child. From April 2017, the government plan to introduce a two-child limit. In other words, you only get an amount for up to two children.

The following explains how this will happen:

- For Child Tax Credit and Housing Benefit the child element (worth about £50 per week) will no longer be awarded for third and subsequent children born on or after 6 April 2017.
- For Universal Credit the rule is more complicated. Anyone who claims Universal Credit on or after 6 April 2017 and has three or more children will be told they cannot claim Universal Credit. Instead, they can claim the benefits that Universal Credit is replacing such as Tax Credits and Housing Benefit. In November 2018 this will change and Universal Credit claims will be taken from people with three or more children, except they will only get an amount for up to two children.

As usual, there will be some **exceptions** from the two-child limit and we await further clarification. For example, those already getting Universal Credit on April 2017 will continue to get it for all of their children. Recently, the government have [confirmed their plans to exempt](#) children born due to rape, multiple births and children living long-term with friends or family under proven formal or informal arrangements.

Note:

- Even if a family element is not payable for a third or subsequent child it is important that claimants report all births because for example, they could still attract the disabled child and childcare elements.
- The two child limit does not apply to Child Benefit.

Earners allowed to keep more Universal Credit

From April 2017, a claimant will lose 63 pence instead of 65 pence of Universal Credit for every pound he or she earns.

£29 per week removed from those on the sick

From April 2017, for new claims for Employment and Support Allowance, the £29 per week work-related activity component and its equivalent in Universal Credit will not be available. The 'support component' for those who are 'more disabled' will continue. In November 2016 a House of Commons debate unanimously agreed that this change should be delayed. We await the final details on this and any exemptions.

Permitted work 52-week limit removed

Permitted work replaced 'therapeutic work' many years ago. It allows you to do some work whilst on sickness benefits like Employment and Support Allowance. In some

cases there is a 52-week limit on doing permitted work, but this limit is removed from April 2017. [More details about permitted work](#).

Please note, there is no permitted work rule in Universal Credit, which does not have an hours of work limit.

Housing costs element removed from Universal Credit for 18 to 21 year olds

From April 2017, the help with housing costs in 'full service' Universal Credit will be removed for out of work 18 to 21 year olds unless they are exempt, such as in supported housing. Again, we await further details about what the exemptions may be.

In addition, there will be a '**youth obligation**' for 18 to 21 year olds with stronger 'day one' work requirements and an increase in apprenticeships, which [according to Homeless Link](#) will be introduced only in '[full service](#)' Universal Credit areas. [More details outlined by Minister for Employment, Damien Hinds MP](#).

Increased conditionality extended to those with younger children

From April 2017, parents, including lone parents, claiming Universal Credit whose youngest child turns three years old must be fully available for work and work activity. Those whose youngest child turns two years old should take part in work preparation as well as work focused interviews.

New Bereavement Support Payment

To replace the existing Bereavement Benefits for those bereaved from 6 April 2017. It will be available to people up to State Pension age for 18 months. In addition, the new payment will now not be taxed, and will be disregarded by means-tested benefits and the benefit cap. Further details from the [Work and Pensions Committee](#) and a [government press release](#)

'Pay to stay' plans withdrawn

The 'pay to stay' rules where higher income social housing tenants had to pay market rents from April 2017 [have been withdrawn](#).

Other benefit news and information

The future of Attendance Allowance

Following a government consultation on devolving Attendance Allowance to local councils [as part of a wider proposal for councils](#), [Carers UK have reported](#) that the Secretary of State for Community and Local Government, Sajid Javid MP, [has said this will not now happen](#).

Employment support

The existing Work Programme contracts will end in March 2017 and by late 2017 will be replaced by the Work and Health Programme for those with health conditions or disabilities and unemployed for over two years. In the meantime, Jobcentre Plus will support all other Jobseeker's Allowance claimants up to the point they are eligible for the Work and Health Programme. More information from a [Parliamentary briefing](#) and the [Work and Pensions Committee](#) view.

The National Minimum Wage

Is normally updated in October and will now be updated in April, along with the National Living Wage. [More details from GOV.UK](#).

State Pension top up – less than three months left to apply

State Pension top up lets those who reached State Pension age before 6 April 2016 boost their State Pension income by up to an extra £25 per week in return for a lump sum contribution. The scheme is open until 5 April 2017. [More details from GOV.UK](#).

HM Revenue & Customs news

- This [article by Low Incomes Tax Reform Group](#) looks at some of the help that HM Revenue & Customs offer people with mental health problems, including the making of 'reasonable adjustments' under the Equality Act 2010.
- The Tax Credits helpline 0345 300 3900 is now open on Sundays 9am – 5pm

News from the Department for Work and Pensions

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

- the consultation on funding reform for the supported accommodation sector
- all registered childcare providers can now sign up for Tax-Free Childcare
- apply to be a Community Partner and help shape the support for disabled people in your area
- [plans to transform mental health support](#)

Welfare reforms considered by Newcastle City Council's Cabinet

In February, the Council's Cabinet will consider a report on Newcastle's response to the government's welfare reforms. For details [see the cabinet report on the Council website](#). You can also [browse other Cabinet meetings](#).

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 **January 2017** 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