

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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Universal Credit in Newcastle

As reported in the last [Benefit Bulletin](#), new claims from single jobseekers without children are being taken as a claim for Universal Credit in Newcastle and other areas. The roll out for new claims from this group continues across the country until April 2016. There is no news about when Universal Credit will be expanded beyond this group to families and others.

See our [Universal Credit web page](#) for more details, including the support that is available in Newcastle for those who need it. More information can be found on these websites: [Gov.uk](#) and [Citizens Advice](#).

Seven day waiting period for Universal Credit claims

On 15 July, just after this benefit bulletin was distributed, the [House of Lords passed two motions](#) on this new rule asking the Government to delay it till the full roll out of Universal Credit and that the housing costs element (e.g. 'Housing Benefit') should be removed from the waiting days period. However, the Government have not changed their plans and the change is introduced as planned on 3 August 2015.

When a person claims Universal Credit they may find they will not receive any payment of Universal Credit for the first seven days, even though they may be entitled to it. This rule is introduced from 3 August 2015 but it only applies to certain people.

It applies to those who are leaving work, those who are unemployed and are fully available for work (similar to Jobseeker's Allowance) and some who are unfit for work (similar to those who are in the work related group of Employment and Support Allowance).

Out of those, there are many exemptions, including those whose Universal Credit award has ended because of becoming or ceasing to be a member of a couple, those who have been in receipt of Universal Credit within the past six months, those who have recently been on the benefits that Universal Credit is replacing, those in various situations such as being aged 16 and 17 without parental support, being terminally ill, caring for young children or being a disabled person and so on. This will be decided when Universal Credit is claimed.

Combined impact with Universal Credit being paid one month in arrears

In addition to the seven day waiting period will be the built-in delay in claiming Universal Credit where a claimant has to wait one month and up to seven days for the first payment following a new claim. The result is that following a claim, the claimant will have to wait at least one month plus seven waiting days plus up to another seven days for the first payment – in other words, about six weeks. This minimum waiting time may also be extended by additional delays, such as verification and administrative issues.

The Government say that most affected people should be able to fall back on their last wages but those who are at serious risk can request a repayable [Universal Credit Advance](#) from the Jobcentre.

For further information see the [Report by the Social Security Advisory Committee](#), the [Regulation](#) that brings in the change, the [DWP guidance: Memo ADM16/15](#) (pdf) and our web page about [Universal Credit](#) which includes information about advance payments.

Personal Independence Payment roll out continues

Roll out extended to more people

Earlier this year, those with existing awards of Disability Living Allowance (DLA) began to be invited to claim Personal Independence Payment (PIP) if they were turning 16, reaching the end of their DLA award or they had a change in their care needs.

At some stage from 13 July 2015, remaining working age DLA claimants will be invited to claim PIP. In other words, those with indefinite or long-term DLA awards, sometimes mistakenly thought as a 'lifetime award'. This process is starting only in seven postcode areas – not Newcastle yet. We will keep you informed as soon as we hear anything about Newcastle in a future benefit bulletin and on the website.

The aim is that by late 2017, all existing DLA claimants (aged 16 to 64 years old on 8 April 2013) will have been invited to claim PIP.

Claim PIP at the right time

Sometimes people on DLA are being invited to claim PIP many months before their DLA award runs out. If they do claim PIP and are refused, they also lose their DLA before they needed to. Conversely, there are people on DLA who might potentially be entitled to a higher level of PIP.

In both situations, we advise the claimant, or professional advising them, to seek advice before they decide what to do. **Newcastle residents** can contact an advice service found on our [benefits advice services web page](#), whilst **professionals** can phone the Welfare Rights Service consultancy line on 0191 277 2633 between Monday and Friday from 10am to 12pm, or can email: welfare.rights@newcastle.gov.uk

PIP delays found to be unlawful

The High Court have decided that lengthy delays in waiting for PIP decisions were unacceptable and unlawful. In response, the Government said that the average waiting times for an assessment are now down to seven weeks, that any delayed benefit is back-dated to the point of claim and for serious problems there is a complaints process.

See the [High Court Judgement](#), the [Government response in the House of Lords](#) on 10 June 2015, the [Department for Work and Pensions \(DWP\) web page on complaints](#) and the [DWP guidance to their officers on the Special Payments Scheme for Maladministration](#).

You may find these updated Government guides to PIP useful

- [PIP handbook](#)
- [PIP quick guide for support organisations](#)

- [The PIP claimant journey](#)

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](#).

Citizens Advice changes

The national Citizens Advice Bureau's name is now 'Citizens Advice' and their website has been redesigned into the [Citizen Advice website](#).

Locally their phone number has changed to 0344 245 1288. For their new drop-in sessions, see our [Where to get advice in Newcastle booklet](#) or visit the [Newcastle Citizens Advice website](#).

Employment and Support Allowance – support group criteria

Following a medical assessment, Employment and Support Allowance (ESA) claimants go into one of two groups: the 'work related activity group' or the 'support group', where the claimant receives a little more benefit and does not have to take part in work related interviews and work related activity.

If there were to be a substantial risk to the health of the claimant or others from being put into the 'work related activity group', they will be placed in the 'support group'. A similar rule applies if there would be a substantial risk to the claimant's health in being found fit for work. In which case, they would be treated as if they were unfit for work.

The [DWP have issued guidance](#) on this following the decision of a panel of Upper Tribunal Judges.

For more details on the ESA assessment, see our factsheet on our [benefits information web page](#).

Work related requirements, 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 four weeks to three years, and for those on the sick, ESA can be reduced until the claimant complies and then for a set period after that.

This is determined in the Claimant Commitment interview and with the work coach at Jobcentre Plus. The Claimant Commitment is a more personalised agreement which enables the claimant to explain any reasonable restrictions on their availability for work. Communications with claimants have been improved so that claimants are always warned about a potential sanction, are given the chance to respond and are never sanctioned the first time they are late for an appointment.

Universal Credit

The above work related conditionality and sanctions are extended under Universal Credit in the following ways:

- Conditionality is extended to more people, such as the partner of the claimant and carers and those not working enough hours,
- The hardship payment that can be requested during a sanction becomes a loan that is recovered when the sanction ends,
- Different sanctions run consecutively – one after the other – rather than concurrently,
- A sanction can apply to each member of a couple independently.

Sanction statistics and reports

[Recent DWP statistics](#) show a 37% reduction in the average number of JSA sanction decisions (for failing to comply with work related requirements) in Newcastle in the last three recorded months. This reflects a reduction in the number of jobseekers but also the joint work between Jobcentre Plus and the City Council described below.

Avoiding 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:

- Have developed a **joint leaflet**, which is available at the bottom of our [benefits information web page](#) and
- 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.

For more detailed guidance on work related requirements and sanctions

See the [Government’s web page on recent sanction rules](#), and the DWP Decision Makers Guidance on:

- [JSA labour market questions, sanctions and hardship payments](#) and
- [ESA work focused interviews, work related activity, sanctions and hardship payments](#)

Benefit under-claim statistics

£11.61 billion of five DWP means tested benefits are not being claimed each year by people who are entitled to them according to [DWP estimates for 2013-14](#). This table gives a breakdown of how many people are not claiming their entitlement to these benefits and by how much:

| Benefit | % of those not taking up the benefit | Number of those not taking up the benefit | Weekly amounts unclaimed per claimant (median to mean range) | Average amount unclaimed GB each year (million) |
|---------------------------|--------------------------------------|---|--|---|
| Pension Credit | 37% | 1,340,000 | £23 – £41 | £2,860 |
| Income Support and IR-ESA | 21% | 580,000 | £95 – £93 | £2,830 |

| | | | | |
|------------------|-----|-----------|-----------|--------|
| Income based JSA | 42% | 740,000 | £57 – £60 | £2,300 |
| Housing Benefit | 19% | 1,200,000 | £50 – £58 | £3,620 |

IR-ESA = income related Employment and Support Allowance

Foodbanks report

The [Trussell Trust](#) report a 19% increase of emergency food being handed out on the previous year and that problems with benefits remains the largest driver of foodbank use. For example, 97% of managers cited administrative delays in payment of benefit, 91% cited benefit sanctions and 84% identified the stopping of Employment and Support Allowance. An [article in the British Medical Journal](#) found that the growth in foodbanks is directly linked to welfare cuts and sanctions.

News from the DWP

- [Universal Jobmatch](#) online resource improvements
- New [DWP postal addresses](#)
- Reminder to [renew your Tax Credits](#) with HMRC before 31 July 2015, which can be done [online](#) from any device as well as by phone
- Advice for those claiming [Maternity Allowance](#) and National Insurance contributions
- To reduce the cost of phoning the DWP, their numbers are changing from 0845 to 0345. There is not enough space to list them all here but if you simply change the 08 to 03 that should work, or visit our [benefit offices web page](#)

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

Benefit announcements in the Summer Budget 2015 and other welfare reform announcements

The much publicised £12 billion reductions in welfare spending were announced in the [Summer Budget 2015](#) and the earlier [Queen's Speech](#). Some of them are incorporated in the new [Welfare Reform and Work Bill 2015-16](#). The following is a summary of the main changes, but please note that they may change as they go through Parliament, and that exceptions and other rules apply.

The highlights:

- A freeze on working age benefits
- Lowering the benefit cap for workless families
- Big reductions in Tax Credits and Universal Credit
- Loss of £29 a week for some on the sick
- Increased work requirements extended to those with younger children
- Help with mortgage interest – turned into a loan and increased waiting period
- Big changes for 18 to 21 year olds
- Backdating of Housing Benefit will be reduced
- An increase in apprenticeships
- Pensioners' benefits will be protected

A little more detail:

- **A freeze on working age benefits**, such as Jobseeker's Allowance and Tax Credits, for four years from April 2016 but disability additions are protected.* The [Institute for Fiscal Studies](#) (IFS) say that 13 million families will lose £260 a year on average (7.4 million in work will lose £280 a year on average).
- **Lowering the [benefit cap](#) for workless families** from the present weekly £500 to £385 for those with children and £350 to £258 for single people without children from April 2016. The amounts are higher in London. The cap is the total amount of benefits that non-working people can receive. The current exemptions will continue to apply.*
- **Big reductions in Tax Credits and Universal Credit.** For example:
 - The Child Tax Credit 'child element' (currently about £50 a week per child) will be restricted to two children (unless they were born before 6 April 2017, part of multiple birth, disabled, or due to a rape and so on). Similar rules will be applied to Universal Credit and Housing Benefit. From April 2017, the 'family element' of Child Tax Credit (currently worth about £10 a week per family) and its equivalent in Universal Credit will no longer be awarded when a first child is born. Some existing claimants will be protected. In Housing Benefit, the family premium will be removed for new claims and new births from April 2016.
 - Other large reductions are planned in the amounts paid for Tax Credit and Universal Credit from April 2016 and April 2017. The IFS state that this change alone will amount to just over 3 million families losing an average of just over £1,000 per year.
- **Loss of £29 a week for some on the sick.** The extra amount in Employment and Support Allowance (ESA) and Universal Credit for those who are signing on the sick but can think about work will be removed for new claimants from April 2017. It's called the 'work related activity component' in ESA and is currently worth £29.05 a week. The 'support component' will continue for those who are too ill for this group.*
- **Increased work requirements extended to those with younger children** for Universal Credit claimants from April 2017. Those whose youngest child turns 3 years old will have to be **fully** available for work and work activity, and those whose youngest child turns 2 years old should take part in work preparation as well as work focused interviews.* Aligned with this, and as part of the attempt to remove employment inequalities for women, various help for childcare was announced. For example, free childcare entitlement will be doubled from 15 to 30 hours a week for working parents of 3 and 4 year olds from September 2017 and earlier in some areas from September 2016.
- **Help with mortgage interest changes.** This can be paid with benefits such as Income Support, Universal Credit or Pension Credit. From April 2018, new payments will be turned into a loan and will be secured against the claimant's property.* From 1 April 2016, the waiting period before help is included will return from the present 13 weeks to the pre-recession length of 39 weeks.
- **Big changes for out of work 18 to 21 year olds:**
 - Removal of the automatic entitlement to Universal Credit housing costs (the replacement for Housing Benefit) for new claims from April 2017. Exemptions will apply for 'vulnerable people' and others.
 - A new 'youth obligation' with stronger 'day one' work requirements and a loss of benefit for those not in training, an apprenticeship or community work placement after six months from April 2017.

- **Backdating of Housing Benefit will be reduced** from the present six or twelve months to four weeks from April 2016.
- **An increase in apprenticeships** and Jobcentre Plus advisers in schools.
- **Pensioners' benefits will be protected** from the above changes.

* denotes the changes included in the Welfare Reform and Work Bill

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.

You can also sign up for the DWP's [Touchbase](#) for news.

This benefit bulletin was written in **July 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