



Halton Strategic **PARTNERSHIP**

Important information about Welfare Reform



Introduction

The Welfare Reform Act will see the biggest change to the welfare system for over 60 years.

The Act introduces a range of reforms that will deliver the commitment made in the Coalition Agreement and the Queen's Speech to make the benefits and tax credits systems fairer and simpler by:

- creating the right incentives to get more people into work;
- protecting the most vulnerable in our society; and
- delivering fairness to those claiming benefit and to the taxpayer.

However, these changes will mean that some claimants could see a reduction in what they can claim for and/or the amount they can claim.

This booklet will provide information on the **most** important changes, with links to the appropriate Government website so that professionals can keep up with the latest changes. It's hoped this will give professionals a better understanding of how the changes are likely to impact on those people they work with. It is not a complete list of the changes to come, and people are invited to visit **www.gov.uk/browse/benefits** for more detailed information.

These welfare reforms will be accompanied by a push to an online service from Government, and there will be some claimants who will find this particularly challenging. Professionals are urged to support claimants in the most practical way possible, and to help with this, a supplementary document, in an electronic format, has been produced which maps out what local support is available. This can be found on:

www.halton.gov.uk/welfarereform



It is not a complete list of the changes to come. For more detailed information please visit

<https://www.gov.uk/browse/benefits>.

Under Occupation of Social Housing (Bedroom Tax)

Who will be affected?

ALL working-age tenants in social housing who claim Housing Benefit and are 'under-occupying'.

It will restrict the amount payable to claimants from 1st April 2013.

The basis is that particular-sized households require a certain number of bedrooms. Everyone in the household will be taken into account and then the relevant new rules will be used to see whether or not you are 'under-occupying' your home and if so, by how many bedrooms; tenants on housing benefit will pay 14% of their eligible rent if under occupying by one bedroom, and 25% for two or more.

An example of this might be a single adult (or a couple) who live in a three bedroom house. The Government says that they only need 1 bedroom so this will be treated as a case of under occupancy as they have two extra bedrooms above their requirements given in the criteria.

This will not affect those owning their own home or anyone in the privately rented sector.



For the latest information please visit

<https://www.gov.uk/housing-benefit>

Benefit Cap

Who will be affected?

Couples (with or without children), lone parents and single claimants who are in receipt of a range of benefits.

Receipt of some benefits mean you will be excluded from the Benefits Cap. These are:

- Disability Living Allowance
- Working Tax Credit
- Employment Support Allowance (providing the claimant gets the support element).

From the end of September 2013, the Government has said that the total benefit income will be capped at £500 per week for families (couples or lone parents with children), and £350 per week for individuals.

An example might be a family that currently claims Housing Benefit, Child Benefit, Carer's Allowance, Income Support and Maternity Allowance. In the future, if the total of these benefits is more than the allowance amount, any funds will be deducted from the family's Housing Benefit (until the time that they start to receive Universal Credit, at which point deductions will be made from that.)

This will not affect pensioners – only people of working age.



For the latest information please visit

<https://www.gov.uk/benefit-cap>

Council Tax Reduction Scheme

Who will be affected?

All non-pensioner households that currently claim Council Tax Benefit, will from 1st April 2013, be expected to pay something towards their Council Tax Bill.

As the Government has abolished Council Tax Benefit, each council has been told to design its own Local Council Tax Reduction scheme to replace it. However the Government is providing less funding for these new schemes and there will be people who have never had to pay a Council Tax Bill, who will now be expected to pay a contribution.

Within Halton some 7,000 households who currently do not pay Council Tax will be expected to make a contribution of 21.55% from April 2013.

The percentage of contribution will be reviewed each year from 1st April, in line with the annual billing of Council Tax.



For the latest information please visit

<https://www.gov.uk/council-tax-benefit>

Replacement of Disability Living Allowance (DLA)

Who will be affected?

Anyone between the ages of 16-64 who currently are on DLA. This includes those who have been given a lifetime award or new claimants.

The new allowance, called Personal Independence Payment (PIP) will come into effect from April 2013, and will require a new medical assessment, conducted on behalf of the Department for Works and Pensions (DWP). Most people will not be affected until 2015.

Initially only new claimants of benefit will be affected, along with those whose claim comes up for review. However the scope will be extended to cover all DLA claimants with an existing award. There will be no opportunity to remain on DLA and an assessment against the criteria for a Personal Independence Payment (PIP) will be made.

The assessment may also impact on extra means-tested benefits that rely on someone receiving DLA, such as a Carer's Allowance, and will be based on how the condition affects them, not on their condition.

This will not affect anyone over the age of 65 and children under the age of 16.



For the latest information please visit

<https://www.gov.uk/dla-disability-living-allowance-benefit>

Introduction of Universal Credit

Who will be affected?

Anyone of working age who is in receipt of means-tested benefits and tax credits. But it is suggested that it will take 3-4 years for everyone currently claiming to be transferred across to the new Universal Credit (UC).

Moving people to UC will start in October 2013. The Government's aim is that UC will help people become more independent and will simplify the benefits system. UC will bring together a range of benefits into a single payment and improve work incentives, to help people when moving in and out of work, to reduce poverty for people in-work and cut back on fraud and errors.

The payment will be on a monthly basis (in arrears) and will be reduced bit-by-bit as people return to work. If you receive housing payments, they will be paid straight to you and it is then your responsibility to make sure you pay your rent. There will be increased testing of ill-health or job seeking activity and some people may find themselves facing a reduction in their benefits or even suspensions.



For the latest information please visit

<http://www.dwp.gov.uk/policy/welfare-reform/universal-credit/>

Local help and information:

Halton Borough Council Benefits Service:

0151 511 7772

www.halton.gov.uk/welfarereform

Halton Borough Council:

0303 333 4300

www.halton.gov.uk

Halton Citizens Advice Bureau:

0151 257 2449

www.haltoncab.org.uk

There is a supplementary document which can be downloaded from **www.halton.gov.uk/welfarereform** which gives details of what advice and support, locally, is available across Partner agencies and organisations. It should not be viewed as a definitive list, but rather a list of different levels of support available to residents, that can be easily updated and shared electronically.



For more information please scan here with your smart phone.

