Changes to Benefits
Welfare Reform Update

• Under Occupation
• Council Tax Support
• The Benefit Cap
• Universal Credit
And More...
The government has already introduced major changes to the welfare system, with more to follow.

For people of working age, the government’s aim is to make the system simpler and make sure you are better off in work than on benefits.

At the same time, the government is looking to make savings. The total cost of benefits and tax credits across the country is being reduced by over £18 billion a year by 2014-15, compared to how things are now.

The government has also announced most working age benefits will rise by 1% for each of the next three years. This is lower than expected price rises, leaving people with less money to spend.

This guide explains some of the main changes. Most benefits are changing in some way, and more details about the changes are being announced all the time. This guide concentrates on the main changes which we know will affect a lot of people living in Central Bedfordshire.

Some of the changes may mean that you will receive less money in benefits. You will need to budget for things such as your rent and other bills to make sure you don’t run into trouble with your finances.

This guide also includes information about where you can find more advice and support. It is estimated that billions of pounds are unclaimed each year by people who are entitled to benefits.

Information in this leaflet is correct at the time of going to print. It highlights the main changes to benefits in 2013, but is not a full guide to all benefits and tax credits.
Under Occupation or ‘size limit’ rules

Who is affected?
You will be affected if you rent a council or housing association home and are aged between 16 and 61 even if:

- you only get a small amount of Housing Benefit – for example if you are working
- you are sick or disabled

You won't be affected if:

- you live in a one bedroom flat or bedsit
- you or your partner are old enough to receive Pension Credit
- you live in a shared ownership property
- you are in temporary accommodation under homeless legislation
- you live in supported accommodation where your landlord provides care, support or supervision
- you live in a caravan or mobile home and your housing benefit covers site charges

See also ‘Special circumstances’

When?
From April 2013

What is under occupation?
Under occupation is where the government believes your council or housing association home is bigger than you need. From April 2013, housing benefit is being reduced for working age households with ‘spare’ bedrooms.

How much will I lose?
If you are under occupying your housing benefit will be reduced by:

- 14 per cent of your eligible rent if you have one spare bedroom
- 25 per cent of your eligible rent if you have two or more spare bedrooms

Special circumstances

- You are allowed a bedroom if you are an approved foster carer between placements, for up to 52 consecutive weeks from your last placement or if you are a newly approved foster carer, for up to 52 weeks from when you are approved.
- A disabled child will be allowed their own room if the nature of their disability or looking after them during the night would disturb another child they would normally have to share with.
- Where there is shared custody of a child, their main home will usually be with the parent who receives child benefit. Only that parent will receive housing benefit for the room(s) they need.
Under Occupation or ‘size limit’ rules

If you are affected by ‘under occupation’ rules

If you lose Housing Benefit as a result of under occupation rules you have a number of options

1 Stay where you are and pay the difference

You could consider the following to make up the difference.

- Ask other adults who live with you to contribute.
- You could take in a lodger if your tenancy agreement allows. If you’re considering this bear in mind
- if you get over £20 a week the money may be counted as income and may affect Housing Benefit and other benefits.
- how having someone else living in your home will affect you and your family
- what formal agreements to put in place with your tenant.

You can find some useful advice about renting rooms at www.communities.gov.uk/publications/housing/lettingrooms

- Finding a job, or increasing your working hours may mean you will be better off. For more information about finding work visit www.ways2work.org.uk

Making payments

You will be responsible for paying any rent that is not covered by your benefits and for keeping your rent account up to date.

If you are a Central Bedfordshire council tenant you can either set up a direct debit or pay in cash using a payment card. To set up a direct debit or request a payment card, please contact us on 0300 300 5186 or 5545 or email us at customer.services@centralbedfordshire.gov.uk

2 Consider moving to a smaller property

As well as not losing benefits, moving to a small property may help to cut other costs, such as heating bills, leaving you better off. If you would like to move to a smaller home you have three main choices:

- Mutual exchange. Swapping homes with another tenant is one of the best ways to move to another council or housing association home and gives you more choice in terms of location and property size. To find out more go to www.central Bedfordshire.gov.uk/homeswap or see home swap opportunities at www.houseexchange.org.uk.

Bedfordshire Homefinder Choice Based Lettings scheme. This is a transfer scheme for existing tenants run by councils and housing associations across Bedfordshire. Anyone over the age of 16 can apply by going to www.bedfordshirehomefinder.co.uk and downloading an application form, or you can call 0300 300 8302 and ask for the Housing Register team or call into our local customer services.

Move into the private sector. Again you may have greater choice in terms of location and property size. You will need to make sure that any housing benefit you get is enough to cover the rent. You may get help with the deposit. If you move to the private rented sector you will lose your tenancy security. This may not be an option for some people.

To talk about moving house, contact Central Bedfordshire Council Housing Register Team on 0300 300 8302

If you are considering moving, you need to look into it now as there is no guarantee that a suitable property will be available straightaway, and you might have to wait.

3 Apply for a discretionary housing payment.

In certain circumstances you may be entitled to temporary help to cover your housing benefit shortfall. For an application form visit www.centralbedfordshire.gov.uk/dhp

More information

To find out more visit www.centralbedfordshire.gov.uk/money-and-benefits/apply-for-benefits or contact the council’s benefits service on 0300 300 8306
Housing Benefit

Housing Benefit will be phased out between 2013 and 2017. New claimants after October 2013 will claim Universal Credit if they are of working age, or Pension Credit if they are above the state retirement age. Anyone over state retirement age who chooses to continue to work can also claim Universal Credit.

We do not know when people who currently receive Housing Benefit will be moved over to the new system. It will be a gradual process.

Whereas Housing Benefit is paid directly to social landlords to cover rent, under the new Universal Credit system people will get benefits paid directly to them and they will be responsible for paying rent out of this money.

More information

For more information about Universal Credit see page 9.

To find out more about the changes, visit www.centralbedfordshire.gov.uk/welfarereform
Local Council Tax Support

Who is affected?

- Nationally, the government has decided people over Pension Credit age will be protected from the effects of Council Tax Support.
- We will continue to protect those less able to work such as carers, single parents with children under five, some disabled people and war widows.
- All other households will be expected to pay at least 25 per cent of their Council Tax.

When?

From April 2013

What is Local Council Tax Support?

The government’s national Council Tax Benefit scheme has been replaced by local schemes developed by each council in consultation with local residents.

At the same time the government has changed the law for some Council Tax discounts.

With less government funding for Council Tax Support, Central Bedfordshire Council has had to reduce support to some groups of people – but is protecting support for those who need it most.

Calculating entitlement to council tax support

- The Second Adult Rebate benefit has been removed for people under Pension Credit age.
- To support people who get a new job or increase their hours the council is increasing the earnings disregard by an additional £10 per week for single claimants, couples and single parents. This means less of any new earnings will be counted when calculating entitlement to Council Tax Support.

Changes to discounts and rebates

There are also changes to discounts and rebates

- The Second Adult Rebate benefit has been removed for people under Pension Credit age.
- Support to people living with non-dependant adults will be reduced.
- Owners of second homes (properties not occupied as a main home), unoccupied properties and empty properties undergoing repair or major structural work will have to pay full Council Tax.
- Owners of long term empty homes will be required to pay the full Council Tax plus 50 per cent extra after the property has been empty for two years.

What if my circumstances change?

If you have a change of circumstance which affects your council tax, you must tell us within 21 days of the change. If you report a change, or apply for a reduction, please continue to pay the amounts specified on your current bill until you receive a new one.

You can contact us

by telephone: 0300 300 8306
by email: customer.accounts@centralbedfordshire.gov.uk
in writing: Customer Accounts, Central Bedfordshire Council, Watling House, Dunstable, Bedfordshire, LU6 1LF

More information

To find out more about the changes, visit www.centralbedfordshire.gov.uk/welfarereform
Non-dependant deductions

Who is affected?
Any householder claiming Housing Benefit or Council Tax Support that has a non-dependant person living with them – in other words someone aged 18 or over other than a partner or spouse.

Who is not affected?
Sometimes no deduction is made. Examples include:
- Where the person claiming housing benefit, or their partner, is receiving the care component of disability living allowance or attendance allowance, the daily living component of Personal Independence Payment, or is registered blind.
- The non-dependant adult is a full-time student or under 25 and receiving certain benefits
- The non-dependant adult is on pension credit
- The non-dependant adult is in prison
- Where the non-dependant is in the armed forces there will be no deductions when they are away from home during operations

When?
Now, with more changes to come each year.

What are non-dependant deductions?
If you have an adult who is not your partner living in your home, they are expected to contribute to the running costs, including any rent or Council Tax charges.

The council makes deductions from your benefit, known as non-dependant deductions. The amount deducted depends on the circumstances of the non-dependant person. It changes based on whether they claim benefits, if they work 16 or more hours per week, and how much they earn.

The level of weekly deductions ranges from £3.65 to £15.00 for Council Tax Support and from £13.60 to £87.75 for Housing Benefit.

What is the change?
Non-dependant deductions from benefits are not new. Deductions have risen sharply in the last two years because there had not been an increase for some time. By 2013, the highest benefit deduction will be £15.00 per week from Council Tax Support and £87.75 per week from Housing Benefit. As it is your tenancy, you are responsible for paying the shortfall in rent and Council Tax.

The rules will change under Universal Credit to one flat-rate non-dependant deduction.

More information
See page 9 for more information about Universal Credit. To find out more visit www.centralbedfordshire.gov.uk/welfarereform or contact the council’s benefits service on 0300 300 8306.
The Benefit Cap

Who will be affected?
Most households – particularly larger families – will be affected with a few exceptions.

Who is not affected?
You won’t be affected by the Benefit Cap if you are earning over a certain level and qualify for Working Tax Credit or if you get any of the following benefits:
  • Disability Living Allowance or Personal Independence Payment
  • Attendance Allowance
  • Industrial injuries benefits (and equivalent payments as part of a war disablement pension, or the armed forces compensation scheme)
  • Employment and Support Allowance, if you get the support component
  • War widow’s, or war widower’s pension

When?
The government plans to introduce the Benefit Cap in Central Bedfordshire in the summer of 2013.

The detail
The government has decided that there should be a limit on how much a family (people aged 16 to 64) can receive in benefits. The amount has been set to match the average earnings in this country, and so it may change.

How much will the cap be?
  • £350 a week for single adults and
  • £500 a week for couples and single parents whose children live with them

What’s included?
The cap will apply to the total amount the people in your household get from the main benefits. This includes:
  • Jobseeker’s Allowance
  • Income Support
  • Employment and Support Allowance
  • Housing Benefit (unless you are living in supported accommodation where your landlord provides care, support or supervision)

  • Child Benefit
  • Child Tax Credit
  • Carer’s allowance

For a full list of benefits included as income when working out the cap, see www.gov.uk/benefit-cap

Special circumstances
  • The cap will not include one off payments, such as Local Crisis and Prevention Fund grants, or non-cash payments such as free school meals.
  • People who were previously working for at least a year before losing their job won’t be affected by the cap for up to 39 weeks.

How will DWP apply the cap?
If your benefits add up to more than the above amounts, your Housing Benefit will go down to keep your overall benefits payment to the capped level. This includes where your Housing Benefit goes straight to your landlord.

If you are already getting benefits and could be affected by the Cap you should have been contacted by the Department for Work and Pensions (DWP).

If you think you will be affected
  • You need to start to budget now, so that when the benefit cap comes in, you can pay all of your bills.
  • Check how much you can claim in benefits using a free online calculator at www.turn2us.org.uk or phone their advice line on 0808 802 2000.
  • Finding a job, or increasing your working hours, may help you to avoid the cap. For advice visit www.ways2work.org.uk

More information
See page 11 for more information about Local Welfare Provision grants.
See page 12 for details of organisations who can offer you general advice and support.
Universal Credit

Who will be affected?
Households of working age who claim in-work or out-of-work benefits.

These include:
- Income Support
- Income based Jobseeker’s Allowance or Employment and Support Allowance
- Housing Benefit
- Working Tax Credit
- Child Tax Credit

When?
All new claims from October 2013. Existing claims will be moved over between October 2013 and October 2017.

The detail
The government is making the benefits system simpler by bringing together benefits and tax credits into one monthly household benefits payment.

You will only need to make one claim, showing you qualify for the payment.

Universal Credit will be worked out taking into account who lives in the claimant’s household and any health conditions they have, childcare costs, housing costs, income and savings.

The government plans to cap payments of Universal Credit at the Benefit Cap level:
- £350 a week for single people and
- £500 a week for couples and single parents whose children live with them

Managing your money
In most cases, Universal Credit will be paid in one lump sum each month and will be paid in arrears, making benefit payments more like wages.

Payments will go directly to one person in the household, who will be responsible for making sure your money lasts the whole month and all essential bills get paid. This includes paying rent as the Housing Benefit element will no longer be paid directly to landlords.

Claiming
Claiming Universal Credit will be different to the way you currently claim benefits. You will normally have to make your claim via the internet. This is because all claims will be administered by the Department for Work and Pensions at a central location, rather than at your local council, Job Centre Plus or Benefits Agency.

In some circumstances it may be possible to claim by phone, but this will not be available to everyone.

You will be responsible for telling the Department for Work and Pensions about any changes – such as changes in rent. Failing to tell them will lead to you losing out on benefit.

More information
For more information on the government’s plans for Universal Credit, visit www.dwp.gov.uk

There will be a lot more information on Universal Credit as we get closer to the start of the scheme.
Changes to Disability Living Allowance

Who will be affected?
Working age customers, aged 16 to 64, currently claiming Disability Living Allowance (DLA) and those who become eligible for support as a result of a disability.

- Under 16 will continue to get DLA.
- People aged 65 or over will continue to claim Attendance Allowance.

Who is not affected?
- Children under 16 will continue to get DLA.
- People aged 65 or over will continue to claim Attendance Allowance.

When?
- From June 2013 all new claims will be for PIP instead of DLA. This includes young people turning 16.
- From October 2013 DLA claimants who report a change in their circumstances will be asked to claim PIP. Anyone on fixed term DLA, due to expire after February 2014, will also be asked to claim PIP.
- Between October 2015 and 2018 the remaining DLA claimants will be invited to claim PIP.

What is a Personal Independence Payment?
The government is replacing Disability Living Allowance (DLA) with a new benefit called Personal Independence Payment (PIP). The payment helps with some of the extra costs caused by ill-health or disability. It is based on how your condition affects you, not what condition you have.

An award can be made for less than two years (DLA was a minimum of two years) and up to a maximum of 10 years (whereas DLA could be awarded indefinitely).

To qualify for the new PIP, you must:
- be of working age (16-64);
- have had a disability for three months prior to application and be expected to continue to have that disability for at least nine months after;
- pass residence and presence tests.

The qualifying period does not apply to terminal illness. In that situation you would get the enhanced rate of benefit for the daily living component, but would need to be assessed against mobility criteria.

How will I be moved onto PIP?
If you get Disability Living Allowance you will not automatically be entitled to PIP and will need to make a new claim. Whether you get PIP will be based on an assessment of your personal circumstances and how your condition impacts on your ability to live independently. It will take a number of activities into consideration:

- Preparing food and drink
- Coping with a health condition
- Bathing and looking after your appearance
- Toilet needs
- Dressing and undressing
- Communicating
- Social life
- Managing your money
- Moving around

Information will be gathered from you, as well as health and other professionals who work with and support you.

If you currently claim Disability Living Allowance, you should continue to claim it until you are contacted by the Department for Work and Pensions asking you to apply for Personal Independence Payment.

What happens if I lose my benefit after the assessment?
If you have your benefit cut or lose it totally after the assessment you will be able to appeal.

More information
More information is at www.gov.uk/pip
Local Welfare Provision

What is Local Welfare Provision?
The government’s national Social Fund ended in April 2013. The crisis loans and community care grants that were part of the fund are replaced by a new Local Welfare Provision which is administered by Central Bedfordshire Council.

In Central Bedfordshire, the fund will be for emergency payments and household goods for those in the greatest need.

Who can apply?
If you are aged 16 or older, are living in Central Bedfordshire (either for 6 of the last 12 months or for 3 of the last 5 years) and have experienced a crisis or an emergency, you can apply to the local scheme.

We will assess each application on its own merits but we will give priority to those in the greatest need. We will use a list of priority households, such as those with a disabled child, and priority circumstances, such as people leaving residential care, to decide who will receive payments.

How will payments be made?
Emergency Provision payments will initially be small payments to help with food, gas and electricity - giving you emergency relief for up to 48 hours. Payments will be in the form of pre-paid cards rather than cash. If you are given Emergency Provision you cannot make another claim for 28 days.

For Grant Provision applications, we will source the goods you need and get them delivered to your home. You cannot claim for the same items within a two year period.

Short term advances
Crisis loans to cover living expenses until you get paid your agreed benefits will be replaced by a ‘short term benefit advance’ paid by the Department for Work and Pensions (DWP). Short term advances must be repaid by deductions from future benefit payments.

DWP can be contacted on 0800 032 7952.

More information
For more information call us on 0300 300 8070 or visit www.centralbedfordshire.gov.uk/welfarereform

General hints and tips

Make sure you pay rent on time
Having a safe and secure place to live must always come first. Paying your rent should be your top priority so you don’t risk losing your home. Remember: your rent must be paid in advance. Council tenants can contact their Arrears Officer for more information on 0300 300 8002.

Organise a bank account
From October 2013, your benefits will be paid directly to you. You’ll need a bank account for this money to be paid in to. You can set up direct debits to pay rent and bills straight from your account when you get your benefits or wages.

Avoid using loan sharks and pay day loans
Loan sharks and pay day loans can be tempting as they offer fast money. But they come with high fees and interest rates meaning you have to pay a lot of money for the loan. Loan sharks have been known to use intimidation and threaten violence if you can’t pay back the loan.

Consider alternative finance options
There are a number of financial services which may help you manage your money better. Credit unions often offer good bank accounts and lower cost personal and home loans. You can find your nearest credit union by visiting www.findyourcreditunion.co.uk.

Seek help and advice at the earliest opportunity
If you are struggling to make ends meet, get help and advice to help you tackle problems early on.

Bromford Support in Central Bedfordshire offers a floating support service to help you manage your tenancy and to live independently and can offer advice and help with claiming welfare benefits. Call 0330 1234 034, 8am to 6pm Monday to Friday.

See the back cover of this leaflet for how to contact the council or other independent advice organisations if you need help.
Useful Contacts

Central Bedfordshire Council

Benefits service
0300 300 8306
www.centralbedfordshire.gov.uk/benefits

Housing service
0300 300 8302
www.centralbedfordshire.gov.uk/housing

Government information

Government advice website. Information about money matters, including benefits, tax credits and debt, and links to other websites for help with debts.
www.gov.uk

Her Majesty’s Revenues and Customs. For information on tax credits
www.hmrc.gov.uk/taxcredits

Department for Work and Pensions. For information about welfare changes
www.dwp.gov.uk

Housing Associations

Aldwyck Housing Association
0300 500 6262
www.aldwyc.co.uk

Aragon Housing Association
01525 840 505
www.aragon-housing.co.uk

Jephson Housing Association
01908 628 000
www.jephson.org.uk

Local and national advice organisations offering free and independent advice

Citizens Advice Bureaux. Advice on debt, benefits, housing, employment and other issues. Drop-in sessions, telephone and email advice.
www.adviceguide.co.uk/england

Leighton Linslade
01525 373878 or 01525 741217
Mon-Fri 10am to 1pm; Mon 4pm to 6.30pm

Dunstable
01582 661384 or 01525 741217
Mon-Thur 10am – 12:30pm; Mon-Wed 1pm – 3.30pm.

Mid Bedfordshire - Ampthill and Biggleswade
Tel: 01525 402 742 or 01767 601 368 or 01525 741 217
Mon-Thu 9.30am to 2.30pm

Money Advice Service. Advice includes benefits and dealing with debt. Online factsheets and budgeting tools.
Money Advice Line 0300 500 5000 (Mon-Fri 8am to 6pm)
www.moneyadviceservice.org.uk

National Debtline. Self-help packs and help with debt management plans and Debt Relief Orders.
Freephone 0808 808 4000 (Mon-Fri 9am to 9pm; Sat 9.30am to 1pm; 24-hour voicemail to request an information pack.)
www.nationaldebtline.co.uk

Payplan. Debt management service funded by the credit industry. Help with debt management plans and Individual Voluntary Arrangements (IVA). Negotiates repayment plans direct with creditors.
Freephone helpline 0800 280 2816 (Mon-Fri 8am to 9pm)
www.payplan.com

Step Change. Debt advice charity (formerly Consumer Credit Counselling Service) offering practical advice, including Debt Remedy – an online advice tool.
0800 138 1111 Freephone (Mon-Fri 8am to 8pm; Sat 9am to 4pm)
www.stepchange.org

Turn2us. Help with accessing benefits, charitable grants and other financial help. Online benefits calculator.
0808 802 2000 (Mon-Fri 8am to 8pm)
www.turn2us.org.uk

If you would like this information in a different format, for example braille, audiotape, large print or computer disk, please contact us on
0300 300 8301

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