

Welfare Reform Workshop – 28th July 2012 – Camborne

The Welfare Reform Act 2012 received Royal Assent on 8th March 2012. The Act introduces the Universal Credit which will replace many benefits currently claimed such as Jobseekers Allowance and Housing Benefit. There will also be changes to Disability Living Allowance, Housing Benefit, the Social Fund system and Council Tax Benefit.

Jobcentre Plus held two workshops in July to introduce the changes. The main points from the workshop are below with links to the presentation and further information.

1) Jobcentre Plus Offer

There are various measures available from Jobcentre plus (JCP) to attempt to help people back into work. Slide 6 gives a list of the pre-Work Programme measures available such as the Youth Contract.

The Youth Contract aims to give extra help to 18-24 year olds. Slide 8 gives information on what is available under the Youth Contract such as wage incentives for employers, Apprenticeship grant for employers, extra voluntary work experience places and extra JCP adviser support.

<http://www.dwp.gov.uk/youth-contract/>

The Work Programme is a mandatory programme for Job Seekers Allowance (JSA) customers and for some Employment and Support Allowance (ESA) customers (depending on their health condition prognosis). JSA customers are referred on to the programme when they have been claiming for a certain amount of time. This length of time depends on their claimant group.

http://www.direct.gov.uk/en/Employment/Jobseekers/programmesandservices/DG_197781

Work Choice is a programme for people with disabilities who require more specialised support. The programme offers work entry support and in-work support.

http://www.direct.gov.uk/en/DisabledPeople/Employmentsupport/WorkSchemesAndProgrammes/DG_187696

Access to Work is for people with a disability or health condition who are already in work or about to start work or a JCP work trial and have work related costs or are unable to do part of the job, due to their disability or health issue e.g. the need for a support worker, transport or equipment.

http://www.direct.gov.uk/en/DisabledPeople/Employmentsupport/WorkSchemesAndProgrammes/DG_4000347

For more information on all of the above visit <http://www.dwp.gov.uk/policy/welfare-reform/get-britain-working/#britain>

2) Benefit Changes

Universal Credit (Slides 11-17)

Universal Credit will replace Income based Job-seekers Allowance, Income based ESA, Income Support, Working Tax Credit, Child Tax Credit and Housing Benefit. Universal Credit is designed to ensure that it is always worth working by allowing people to keep more of their benefit in the transitional back to work period. It will be paid monthly which is intended to better prepare people for salary payments.

HMRC are bringing in a Real Time Information system, which means that when somebody finds work, Universal Credit payments will be reduced in stages, taking actual earnings into account at the time they are received rather than having to wait for it to be processed through a clerical system.

Universal Credit will begin in **October 2013 for new claimants** and current claimants will be moved over to Universal Credit from April 2014 to 2017.

Personal Independence Payment (Slides 18-26)

Personal Independence Payment will replace Disability Living Allowance (DLA) for people of working age **from June 2013 for new claimants**. It will continue to be non means tested and non taxable, payable both in and out of work. Full national re-assessment of current claimants is likely to begin in Jan 2014.

www.dwp.gov.uk/pip

www.dwp.gov.uk/docs/personal-independence-payment-faqs.pdf

Benefits Cap (Slides 30-32)

In April 2013 the Government will introduce a cap on the **total amount of benefit**. The cap will apply to the combined income from some benefits but not all. A list can be found on page 3 and 4 of the benefit cap FAQs document <http://www.dwp.gov.uk/docs/benefit-cap-faqs.pdf>

It is estimated that it will be set at **£500 per week for families and at £350 per week for single adult households without children**. <http://www.dwp.gov.uk/adviser/updates/benefit-cap/>

Some households will be exempt from the cap – see slide 32

Lone Parents (Slide 34)

Changes to entitlement to Income Support for Lone Parents. These changes are already in progress – see slide 34.

Social Fund Reform (Slides 40-51)

- Community Care Grants and Crisis Loans will be replaced by Local Welfare Provision delivered by local authorities. Slides 46-51 give more detailed information on the changes and how Cornwall Council is thinking of delivering this locally.
- Budgeting Loans are intended to help claimants with intermittent expenses such as needing to buy essential items like furniture. Once all claimants have migrated to the Universal Credit platform, Budgeting Loans will no longer be available – see slide 43 and 44.

Housing Benefit and Council Tax Benefit (Slides 52-66)

- Housing Benefit will be paid directly to the claimant as part of their Universal Credit payment. The Act makes provision to continue the current system of direct payment to Landlords for vulnerable people but the Government has not yet decided on the criteria for vulnerable people.
- Council Tax Benefit will be replaced by a local scheme in April 2013. It will be funded by a fixed grant payment which will be 10% less than the current cost of Council Tax Benefit however in order to protect pensioners and vulnerable groups, this could mean an average cut of around 20% for other customers of working age (Slide 56).
- Local Housing Allowance Rates (slide 57-58)
 - From April 2013 Local Housing Allowance rates will be calculated each year on the basis of the Consumer Price Index rather than by reference to local rents.
 - Cornwall Council are expecting that some customers will need to move to cheaper accommodation, there will be an increased demand for social housing if private sector becomes unaffordable, increased hardship and customers reliant on Housing Benefit confined to areas of low rents.

www.direct.gov.uk/en/MoneyTaxAndBenefits/BenefitsTaxCreditsAndOtherSupport/On_a_low_income/DG_10018928

- Size restrictions in the Social Rented Sector (Slide 59-61)
 - From April 2013 there will be size restrictions for working age Housing Benefit customers in the social rent sector - One spare bedroom = 14% reduction in rent

allowed for Housing Benefit, two or more spare bedrooms = 25% reduction in rent allowed for Housing Benefit.

- Cornwall Council is expecting the impact to be higher demand for smaller properties, an increase in transfer applications and increase in Discretionary Housing Payment applications.

- Household Benefit Cap (Slide 62-64)
 - As mentioned above, from April 2013 the Government will introduce a cap on the total amount of benefit. The reduction will be applied to Housing Benefit first.
 - DWP have written to customers who they think will be hit by the cap & the LA will also be communicating with these people over the coming months.
 - The government are considering exemption for households placed in expensive temporary accommodation by local authority.
 - In Cornwall there are approximately 150 households that will be affected by this cap. It is likely to affect larger families or those with high rent.

Other websites:

Social Justice: Transforming Lives website

<http://www.dwp.gov.uk/policy/social-justice/>

Link to the social justice team if a Partner is interested in getting involved in future policy making

Dwp.socialjustice@dwp.gsi.gov.uk

Look out for regular updates in Touchbase:

www.dwp.gov.uk/adviser/touchbase-magazine/

Regular updates will also be available in the Senior Stakeholder Bulletin:

www.dwp.gov.uk/adviser/dwp-stakeholder-bulletin/

The Citizen's Advice Bureaux also publish information and advice at:

www.adviceguide.org.uk/england.htm