

April 2013

Weighing Up

the Benefits

Welfare Changes

All you need to know



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The Government's Welfare Reform Act 2012

1. What are the main changes?

The amount of Housing Benefit paid to working age tenants who live in Council or Housing Association properties will be reduced where they have more bedrooms than the Government consider the family needs. This is called **Under Occupancy**.

More money will be deducted from your Housing Benefit and/or Council Tax Support because you have a non-dependant person living with you. This is called **non-dependant deductions**.

Council Tax Benefit (CTB) will be replaced by a **Local Council Tax Support Scheme**.

The Disability Living Allowance (DLA) will be replaced for all working age claimants by a **Personal Independence Payment**.

A national **Benefit Cap** will limit the total amount of benefits a single person or household can receive.



The following benefits will gradually be replaced for working age claimants with a single benefit called **Universal Credit**: Income Support, Income-based Job Seeker's Allowance, Income-related Employment and Support Allowance, Housing Benefit, Child Tax Credit and Working Tax Credit. Parts of the Social Fund will also be scrapped and responsibility for administering a new Welfare Assistance Scheme will transfer to local authorities.

2. When will the change happen?

The changes will not all happen at once. Some changes will start to come into effect from April 2013 for some people and others will be introduced gradually between 2013 and 2017. Further details about when the different changes will come into effect are included in each section.

3. How will I be affected by these changes?

It's difficult to say for an individual. Estimates show that;

- ✓ it is anticipated that as many as half of Durham households will be affected in some way, e.g. many households will simply have to re-apply for their benefits;
- ✓ over 8,000 families in Durham will be affected by under occupancy;
- ✓ the Local Council Tax Support Scheme in Durham for 2013/14 will provide the same level of support to council tax payers as the current Council Tax Benefit Scheme would have done;
- ✓ 20 per cent of the people who currently receive Disability Living Allowance could be affected by the replacement Personal Independence Payment; and
- ✓ only a small number of households in Durham will be affected by the Benefit Cap.

Under Occupation

1. What is under occupation?

Under occupation is where the Government believes you are living in a property that is bigger than you need.

Under the new rules if you have more bedrooms than the Government says you need, you will lose part of your Housing Benefit. The new rules mean you will be allocated one bedroom for:

- ✓ each adult couple
- ✓ any other person aged 16 or over
- ✓ two children of the same sex under the age of 16
- ✓ two children under the age of 10, regardless of their sex
- ✓ a carer (who does not normally live with you)
if you or your partner need overnight care.

It does not matter how the 'spare bedroom' is used, the new rules will apply even if:

- ✓ you and your partner need to sleep apart because of a medical condition; or
- ✓ the main residence of your children is another address, but you have a spare room for when they stay with you.



Examples of under occupation could be:

- ✓ a single person or a couple living in a two bedroom property;
- ✓ a couple with one child living in a three bedroom property; or
- ✓ a single person with a boy aged 8 and a girl aged 6 in a three bedroom property.

2. What are the changes?

If you have one 'spare' bedroom your Housing Benefit will be cut by 14% of the rent you pay every week (about £12 per week). If you have two or more spare bedrooms you will lose 25% (about £22 per week).

3. Does this affect me?

This could affect you:

- ✓ if you are 16 to state pension age
- ✓ even if you only get a small amount of Housing Benefit - for example, if you are working
- ✓ even if you are sick or disabled.

You won't be affected if:

- ✓ you live in a one bedroom property or bedsit, or if
- ✓ you or your partner are old enough to receive pension credits
- ✓ you are an approved foster carer who has fostered a child, or become an approved foster carer in the last 12 months
- ✓ you have an adult child in the Armed Forces who continues to live with you. They will be treated as continuing to live at home when deployed on operation.
- ✓ you have a child who is unable to share a bedroom because of their severe disability (subject to medical evidence).

4. What should I do?

If you are worried about being able to afford to pay your rent from April 2013 you should ask for advice now. If you don't pay your rent you could lose your home, so you need to talk to your landlord about what options you have. For example, you could:

- ✓ pay the difference between your Housing Benefit and your rent so you can stay where you are;
- ✓ consider moving to a smaller property;
- ✓ take in a lodger or sharer but be aware that this could also affect the amount of housing benefit they are entitled to; or
- ✓ increase income by taking paid employment or increasing hours worked.



Non-dependant deductions

1. What do you mean by non-dependant?

A non-dependant is someone over 18, living with you, who will affect the amount of benefit you get so the Government expects them to pay something towards your housing costs and Council Tax. They could be:

- ✓ relatives
- ✓ friends, or
- ✓ children who have left school or college and who you no longer get Child Benefit for.

Boarders, sub-tenants, joint tenants and carers employed by a charity that charges for the service are not non-dependants.

2. What are non-dependant deductions?

This is where the amount of Housing Benefit and/or Council Tax Support you receive will reduce because you have a non-dependant person living in your home.

3. How much is the deduction?

The Government has decided the set amounts to be deducted from your Housing Benefit and/or your Council Tax Support. The amount depends on the circumstances of the non-dependant person, such as whether they claim benefits, whether they



work more than 16 hours a week and what their gross income is (before tax and National Insurance).

The Government has increased the amount deducted for non-dependants for both Housing Benefit and Council Tax Support over three years. The first increase was in April 2011 and another increase took place in April 2012. The last of the three increases will be in April 2013.

A deduction is made for every non-dependant person living with you, unless they are a couple, then only one deduction is made.

4. Does this affect me?

There will be no deductions for any non-dependant or to Local Council Tax Support if you or your partner are:

- ✓ registered blind or treated as blind
- ✓ Receiving the care component of Disability Living Allowance, Personal Independence Payment or Attendance Allowance in respect of yourself or your partner

5. Some non-dependants are ignored

A deduction from a Housing Benefit claim will not be made if:

- ✓ the non-dependant is in receipt of Pension Credit
- ✓ the non-dependant is aged 16 or 17 or the non-dependant's normal home is somewhere else
- ✓ the non-dependant is in receipt of a training allowance or a YTS scheme
- ✓ the non-dependant is a full-time student (but deductions may be made during the summer vacation if the student does any paid work in this period)
- ✓ the non-dependant is in the Armed Forces and deployed on operation
- ✓ the non-dependant is in prison.

A deduction from a Council Tax Support claim will not be made if:

- ✓ the non-dependants' normal home is somewhere else
- ✓ the non-dependant is receiving Pension Credit, Income Support or income-based JSA or income-related Employment & Support Allowance
- ✓ the non-dependant is in prison
- ✓ the non-dependant is severely mentally impaired
- ✓ the non-dependant is over 18 but Child Benefit is still payable for them
- ✓ the non-dependant is a student nurse or apprentice or on Youth Training
- ✓ the non-dependant has been a patient in hospital for 52 weeks or more.

There may be other personal circumstances in which deductions will not be made.

6. When will I be affected by the changes?

In April 2013 there will be a further increase in the amount deducted for non-dependents for both Housing Benefit and Council Tax Support resulting in a reduction in what you receive.

Local Council Tax Support Scheme

1. What is the Local Council Tax Support Scheme?

Council Tax Benefit is being abolished from 1 April 2013 and replaced by a Local Council Tax Support Scheme.

From April 2013, local councils will set their own rules to suit the needs of their local area, and will decide which groups of people to help. There will still be some rules set by the UK Government, including help for pensioners.

Under the new system, each council will have a pot of money to share out between people who may need help. Each council will be able to decide which groups of people it will help and how much help to offer.

2. What are the implications in Durham?

In County Durham, there are 64,000 people receiving Council Tax Benefit. Between 1 April 2011 and 31 March 2012 this totalled £55 million. Almost half of these claimants are pensioners; who the Government have said must be fully protected in terms of the support they receive.



3. What will the local scheme for Durham involve?

We are aware of the very difficult economic situation faced by many of our households across the county. If we give less Council Tax support to these working age householders, it could significantly add to the problems they face.

Having considered the potential impacts of the changes to Council Tax Benefit, and the new powers to alter discounts on certain empty properties, we've adopted a Local Council Tax Reduction Scheme for 1 April 2013 to 31 March 2014. This will continue to offer the same level of discounts as those currently available through Council Tax Benefit to all groups of recipients and not just pensioners.

In order to fund this scheme, and offset the reduction in Government grant, we will remove a range of discounts on Council Tax charges to empty properties and second homes.

In addition, long-term empty properties (those which have been empty for 2 years or more) will be charged Council Tax at a premium rate of 150 per cent of Council Tax, which will help encourage the owners of these properties to bring them back into use.

This scheme is for one year. Proposals for April 2014 onwards will be developed later this year.

4. How will I be affected by these changes?

If you are currently receiving Council Tax Benefit or think you will have to make a claim soon, the amount of help available will remain the same under Council Tax Support until the end of March 2014. The Local Council Tax Reduction Scheme for April 2014 onwards will be developed later this year.

Personal Independence Payment

1. What is Disability Living Allowance and Personal Independence Payment?

Disability Living Allowance is money that someone with a disability or a health condition may be able to get to help them pay for the help and support they need.

The Disability Living Allowance will be replaced by Personal Independence Payment (PIP) for those aged between 16 and 65. Personal Independence Payment will help people meet the extra costs of being disabled. It is based on how a person's condition affects them, not the condition they have.

Whether you are entitled to PIP is based on the help you may need because of your disability.

Personal Independence Payment has 2 parts. A daily living part and a mobility needs part. Each part has 2 different rates, a standard rate and an extra rate for those people with the greatest needs, called an enhanced rate.



2. How do the changes affect me?

From 8 April 2013 all new claims in County Durham will be assessed for Personal Independence Payment.

If you are already receiving Disability Living Allowance you will not automatically be transferred to PIP. The Department for Work and Pensions will write to ask specific groups of people who receive Disability Living Allowance to make a claim for Personal Independence Payment from October 2013. This will be for:

- ✓ people who get Disability Living Allowance that needs to be renewed;
- ✓ young people who have reached age 16; or
- ✓ people who get Disability Living Allowance and they have told the Department of Work and Pensions that their circumstances have changed.

From October 2015 the Department for Work and Pensions will write to any other people who are still getting Disability Living Allowance to tell them that it is going to end and how to claim Personal Independence Payment.

The Independent Living Fund

1. What is The Independent Living Fund?

The Independent Living Fund provides money to help disabled people live an independent life in the community rather than in residential care. You can use payments from the Independent Living Fund to:

- ✓ employ a carer or personal assistant to give you personal and domestic care; or
- ✓ pay a care agency to provide personal care and help with domestic duties.

People receiving this money are assessed every two years to make sure they are still getting the right level of payments.

The Independent Living Fund write to you when you are due for a visit to tell you which assessor will contact you and explain what will happen. If you have a Social Worker it is helpful if they come along too. The assessor will check that you are getting the right amount of care and look at the records you've been keeping. They will also ask you about the care you pay for, the money you have and the benefits you get.



2. What is changing?

In 2010 the Government took the decision to close the Independent Living Fund for new applications. It is proposed that the future funding for this type of care will be transferred to local authorities in 2015 and they will be responsible for providing this support.

3. How does this affect me?

The care packages of existing users will be protected by the Government until 2015.

If you are already getting help from the Independent Living Fund, your payments will continue to be reviewed to check if your circumstances are still the same. During your review your assessor will also be able to offer advice on how your care needs will be transferred over to the local authority in 2015.

4. What happens next?

Over the next two years these reviews will help local authorities understand how Independent Living Fund money is currently being used so they can decide how best to continue to help existing and new users once funds are transferred over from Government.

We will keep residents updated once further information from the Government becomes available.

The Benefit Cap

1. What is the benefit cap?

A national Benefit Cap set by the Government will limit the total amount of benefits a single person or household can receive.

If the total benefit income exceeds the Benefit Cap, a reduction will be made in your housing benefit.

2. Which benefits will be affected by the cap?

The following benefits will be subject to the Benefit Cap.

- ✓ Bereavement Allowance
- ✓ Carer's Allowance
- ✓ Child Benefit
- ✓ Child Tax Credit
- ✓ Employment and Support Allowance (ESA) except where the support component has been awarded
- ✓ Guardian's Allowance
- ✓ Housing Benefit
- ✓ Incapacity Benefit
- ✓ Income Support
- ✓ Jobseeker's Allowance (contribution-based and income-based)
- ✓ Maternity Allowance
- ✓ Severe Disablement Allowance (SDA)
- ✓ Widow's Pension



The Benefit Cap will not include one-off benefits, such as crisis loans or free school meals.

3. How will I be affected by these changes?

Under the Benefit Cap, the total amount of benefits that can be received by any individual or household will be limited to a maximum amount of:

- ✓ £500 per week for single parents and couples with children; and
- ✓ £350 per week for single people.

You won't be affected by the benefit cap if you are pension age, qualify for Working Tax Credit, or if you get any of the following benefits;

- ✓ Disability Living Allowance;
- ✓ 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.

4. When will the changes happen?

If you are already getting more than the maximum amount your benefits will be reduced to that level. The reduction will be taken from your Housing Benefit. At the moment Government guidance is indicating that this will happen from July 2013.

When Universal Credit is introduced Housing Benefit will be paid under this, so the reduction will be taken from your monthly Universal Credit payment. Much of the detail about Universal Credit is still to be published by the Government. We do know that people who are working age and claim the relevant benefits will move onto Universal Credit in phases and the Department for Work and Pensions will contact people directly to let them know when they are moving to Universal Credit.

Universal Credit

1. What is Universal Credit?

Universal Credit will bring together a range of working age benefits into one single monthly payment. It is being introduced by the Government to provide help to those who do not have enough money to live on. It will replace many means-tested benefits and tax credits currently provided by the Government.



This new Universal Credit system aims to:

- ✓ encourage people to work;
- ✓ reduce poverty among people in poorly paid jobs;
- ✓ simplify the benefits system, making it easier for people to understand;
and
- ✓ cut back on fraud and error.

2. What will be included in Universal Credit and what will not?

Payments will be made up of a basic personal amount (similar to the current Jobseeker's Allowance) and top ups will be available for disability, caring responsibilities, housing costs and children.

Financial support will reduce at a steady rate, taking actual earnings into account.

Existing benefits that will be replaced by Universal Credit are:

- ✓ Income Support
- ✓ Income Related Jobseeker's Allowance
- ✓ Income Related Employment Support Allowance
- ✓ Housing Benefit
- ✓ Working Tax Credit
- ✓ Child Tax Credit.

Benefits that will not be included in Universal Credit:

- ✓ Attendance Allowance
- ✓ Bereavement Benefits
- ✓ Disability Living Allowance
- ✓ Carer's Allowance
- ✓ Child Benefit
- ✓ Contributory Employment and Support Allowance
- ✓ Contributory Jobseeker's Allowance
- ✓ Council Tax Benefit (or, from 2013, its local replacement)
- ✓ Industrial Injuries Disablement Benefit
- ✓ Maternity Allowance
- ✓ Pension Credit
- ✓ State Retirement Pension
- ✓ Statutory Adoption Pay
- ✓ Statutory Maternity Pay
- ✓ Statutory Sick Pay
- ✓ War Pensions

3. How does this affect me?

Universal Credit will normally:

- ✓ be applied for online;
- ✓ be paid monthly in arrears;
- ✓ be paid to a single person in the household; and
- ✓ be paid into a bank or credit union account.

You will need to budget your money and if you do not already have a bank or credit union account make arrangements to open one. If you are a tenant you will need to make arrangements to pay your weekly or monthly rent to your landlord.

4. When will the changes happen?

Much of the detail about Universal Credit is still to be published by the Government. We do know that people who are working age and claim the relevant benefits will move onto Universal Credit in phases and the Department for Work and Pensions will contact people directly to let them know when they are moving to Universal Credit.

At the moment, Government guidance is indicating that:

- ✓ Universal Credit will start to take new claims from unemployed people in October 2013. For people in work this process will begin in April 2014.
- ✓ The Department for Work and Pensions will start to move people from their existing benefits to Universal Credit between 2014 and 2017.

The Welfare Assistance Scheme

1. What is the Social Fund?

The Social Fund is a limited pot of money, managed by Government, which is split into separate budgets including community care grants, crisis loans, funeral grants and cold weather payments. The Department for Work and Pensions use this fund to give money to people who have a low income to help them pay for emergencies such as funeral costs, costs for a new baby or one off payments for items like washing machines or furniture. Jobcentre Plus advisers decide if you are eligible and how much you should receive.

2. What's changing?

The Government will stop parts of the Social Fund and Local Authorities will be provided with a grant to develop their own scheme if they wish. The Government believes that doing this will make it more local and should be linked more closely to local services.

Each authority will be able to choose what it is used for and will have the option to provide assistance 'in kind', such as providing white goods and furniture to people rather than offering cash.



3. What is the Welfare Assistance Scheme?

The Welfare Assistance Scheme will be run by The Help and Advice Network Durham (HAND) which is a partnership between Durham County Council, Civica, Five Lamps and the Family Fund.

The scheme aims to help the most vulnerable in times of emergency or crisis or help people keep their independence in line with our equality and child poverty duties.

There will be two elements to the Welfare Assistance Scheme.

- ✓ Daily Living Expenses - aims to help meet an applicant's immediate short term needs for goods or services that arise because of a disaster or unforeseen circumstances.
- ✓ Settlement Grant - aims to help applicants remain in the community or move back into the community after a period in supported or unsettled accommodation.

The above awards are discretionary and will be awarded to applicants whose circumstances meet specific criteria and will be subject to the amount of grant available at the time of application.

Durham County Council's Welfare Assistance Scheme will come into effect on 1 April 2013. Further information can be found at www.fivelamps.org.uk/finance/hand-durham/



Help and Advice

You can contact your landlord for advice.

Information and contact details for registered housing providers in Durham can be found on the Housing section at www.durham.gov.uk

Durham County Council's customer services and benefits

Contact Details

Email: help@durham.gov.uk Tel: 03000 262000

Housing Solutions Service

The Housing Solutions Service offers free, impartial and confidential advice and assistance for those who are homeless or threatened with homelessness.

Contact Details

Email: housingsolutions@durham.gov.uk

Civic Centre, Crook. Tel: 03000 260 801. Fax: 01388 766 660.

Civic Centre, Chester-le-Street. Tel: 0191 387 2111. Fax: 0191 387 1583.

Out of Hours - Emergency. Tel: 01388 722 538.

Surgery Locations	Dates	Times	
Customer Access Point and Library, Crook	Monday	8.30 - 12	1.30 - 3.30
	Wednesday	8.30 - 12	1.30 - 3.30
	Friday	8.30 - 12	1.30 - 3.30
Customer Access Point and Library, Clayport, Durham	Tuesday	8.30 - 12	1.30 - 3.30
	Thursday	8.30 - 12	1.30 - 3.30
	Friday	8.30 - 12	1.30 - 3.30
Customer Access Point Green Lane, Spennymoor	Tuesday	8.30 - 12	1.30 - 3.30
	Thursday	8.30 - 12	1.30 - 3.30
Customer Access Point Chester-le-Street	Monday	8.30 - 12	1.30 - 3.30
	Tuesday	8.30 - 12	1.30 - 3.30
	Thursday	8.30 - 12	1.30 - 3.30
Customer Access Point Consett	Tuesday	8.30 - 12	1.30 - 3.30
	Thursday	8.30 - 12	1.30 - 3.30
Customer Access Point Seaham	Monday	8.30 - 12	1.30 - 3.30
	Tuesday	8.30 - 12	1.30 - 3.30
	Thursday	8.30 - 12	1.30 - 3.30

Surgeries, Visits and out of Hours

Above are the surgery times that you can visit our Customer Access Points when a member of the Housing Solutions Team will be on hand to help.

The Help and Advice Network Durham (HAND)

Contact Details

www.fivelamps.org.uk/finance/hand-durham/

Tel: 0300 1110557

Citizens Advice Bureaux in County Durham

This service provides free, confidential and impartial advice on debt, benefits employment, housing and much more.

✓ Durham City CAB

Telephone: 0191 384 2638

Appointment line: 0191 374 6375

✓ Wear Valley CAB

Telephone: 01388 606 661 (Monday, Wed and Fri 10am - 1pm)

✓ Spennymoor CAB

Telephone: 01388 825 429

✓ Teesdale CAB

Telephone: 01833 690 696

✓ East Durham CAB

Telephone: 0191 587 2695

Appointment line 0191 586 2639

✓ Chester-le-Street CAB

Telephone: 0191 389 3000

✓ Northern Debt Line (citizens' advice) Free, confidential advice

Telephone: 0300 33 33 445 (Mon to Fri, 9am - 5pm)

Please ask us if you would like this document summarised in another language or format.

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বাংলা (Bengali) हिन्दी (Hindi) Deutsch (German)
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help@durham.gov.uk

03000 262000



Braille



Audio

AAA

**Large
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