

ANNEX 4 – Interim Report of the Welfare Reform Task Group

Welfare Reform Overview and Timeline

<u>Reform</u>	<u>When?</u>	<u>What are the changes?</u>	<u>Who does this impact? Who is exempt?</u>	<u>How will this happen?</u>	<u>Legislation</u>
Incapacity Benefit, Severe Disablement Allowance, Income Support	October 2010	Assessment for Employment and Support Allowance.	Residents of working age who are claiming sickness benefits.	<p>Between now and March 2014 the Department for Work and Pensions (DWP) will invite affected residents for a Work Capability Assessment.</p> <p>After this assessment the DWP will decide if they are to be paid Employment and Support Allowance, or Job Seekers Allowance.</p>	Welfare Reform Act 2012
Tax Credits	April 2011 - April 2012	The whole tax credit system is being reformed with a number of elements being abolished.	All tax credit recipients including families, low income workers including disabled workers and older people.	Various changes including changing income thresholds and removing a number of elements e.g. 50+ element	Welfare Reform Act 2012
Housing Benefit (1) Local Housing Allowance	April 2011	Local Housing Allowance: The introduction of a cap regulating the maximum amount of housing benefit available for private housing tenants depending on how many bedrooms the tenants qualify for.	<p>Tenants of private landlords.</p> <p>Exemptions - Where the landlord is a not for profit company/voluntary organisation/a Registered Social Landlord/Local Council that provides care support or supervision, They will be exempt from the Local Housing Allowance cap.</p>	<p>The maximum amount of housing benefit is capped depending on how many bedrooms the tenants qualify for:</p> <ul style="list-style-type: none"> • £250 a week for a 1 bedroom property • £290 a week for a 2 bedroom property • £340 a week for a 3 bedroom property • £400 a week for 4 or more bedroom property 	The Housing Benefit (Amendment) Regulations 2010

Housing Benefit (2) Single Room Rate	January 2012	Single room rate: For tenants who live alone in a one bedroom flat the age for when they are expected to live in shared accommodation has risen from 25 to 35.	<p>For tenants of private landlords who are under 35 and live alone.</p> <p>Exemptions - Care leavers aged up to 22</p> <p>People receiving the severe disability premium</p> <p>Former residents of homeless hostels will not be affected by this change.</p>	The government is capping housing benefit to the shared accommodation rate.	Welfare Reform Act 2012
Income Support	May 2012	Lone parents required to be available and looking for work when their youngest child reaches age 5 rather than age 7.	<p>Lone parents whose youngest child is aged five.</p> <p>Exemptions - Lone parents on Income Support who have a child for whom the middle or highest rate care component of DLA/PIP is payable will continue to be eligible to claim Income Support when their youngest child reaches five.</p>	Lone parents will be transferred to Job Seekers Allowance and expected to look for and be available to work.	Welfare Reform Act 2012
Child Benefit	Jan 2013	A reduction in CB for families where at least one person earns over £50,000.	For families where one parent earns more than £50,000 the benefit will be reduced. For families where a parent earns over £60,000, the benefit will be cut entirely.	People earning between £50,000 and £60,000 will have to pay the benefits back – on a sliding scale – by filling out self-assessment tax return forms. The Government is writing to all those high earners that it thinks are affected.	Finance Bill 2012
Total Household Benefit Cap	<p>From April 2013 (pilot areas)</p> <p>From Summer 2013 (other areas)</p>	A cap on the total household benefits of £350 a week for single people living alone and £500 a week for couples or families.	<p>People of working age on out of work benefits.</p> <p>The cap will not apply if they qualify for working tax credit, or receive any of the following:</p> <ul style="list-style-type: none"> • Disability living allowance • Attendance allowance 	<p>The cap includes housing benefit, and remains the same regardless of how many children they have.</p> <p>If a household's total benefits do come to more than £350 or £500 a week, then any benefits received over the cap will be taken out of their housing benefit.</p>	Welfare Reform Act 2012

			<ul style="list-style-type: none"> • The support component of ESA • Industrial injuries benefit • War widows and war widowers pension <p>Exemptions - The cap will not include one-off payments; non-cash benefits e.g. free school meals; nor will it include Council Tax Reduction Schemes; and those clients living in supported accommodation.</p>		
Housing Benefit (3) Social Sector Size Criteria 'Bedroom Tax'	April 2013	A reduction in Housing Benefit for social housing tenants who are deemed to be under-occupying in their property e.g. spare bedrooms.	Social housing tenants of working-age with one or more 'spare' rooms. Exemptions - Foster carers if they have fostered a child or been approved to do so in the last 12 months; residents of state pension age; parents whose children are away with armed forces; clients living in supported accommodation; and parents with severely disabled children.	If they have one spare bedroom the reduction will be equal to 14% of the 'eligible rent' for their property. If they have two spare bedrooms or more, the reduction will be equal to 25% of the 'eligible rent' for the property.	Welfare Reform Act 2012
Local Assistance Scheme (Previously the Social Fund)	April 2013 – April 2015	Crisis Loans and Community Care Grants previously administered by JCP and DWP, have become the responsibility of local authorities (counties in two tier areas)	Anyone who has previously contacted DWP or Job Centre Plus to receive a Crisis Loan or Community Care Grant.	Parts of the Social Fund are being abolished; and the funding for Crisis Loans and Community Care Grants is being devolved to local authorities; where they can design and develop their own schemes. The funding is not ring-fenced. Surrey County Council has used the funding to develop a Local Assistance Scheme to provide emergency support. There will be no DWP funding for Local Assistance Schemes after 2014/15. From April 2015, Local Assistance	Welfare Reform Act 2012

				Schemes must be funded from local authority general funds.	
Local Council Tax Support Schemes (Previously Council Tax Benefit)	April 2013	It is being abolished and being replaced with localised Council Tax Support schemes	<p>All working age council tax benefit claimants.</p> <p>Exemptions – Pensioners will not be affected by changes to council tax benefit.</p>	<p>District and Boroughs have designed and developed their own individual Council Tax Support Schemes.</p> <p>Surrey County Council has offered support funding for local council tax support schemes and hardship funds.</p> <p>For April 2014/15, some District and Borough Councils have decided not to change their Local Council Tax Scheme from the previous year, while other District and Borough Councils are proposing to introduce a number of new changes which are projected to have a significant impact on residents.</p>	Local Government Finance Act 2012
Benefit Up-rating	April 2013 – April 2016	The imposition of a cap for working-age benefit claimants which limits annual rises to 1%	<p>Existing and new claimants of:</p> <ul style="list-style-type: none"> • Jobseeker’s allowance • Employment and Support Allowance • Income Support • Elements of Housing Benefit • Maternity Allowance • Sick Pay, Maternity Pay, Paternity pay, Adoption Pay • Couple and lone parent elements of working tax credits • The child element of the child tax credit 	<p>Most working-age benefits and tax credits would be up-rated by just 1% - which is a below inflation cap for three years from 2013-14.</p> <p>Benefits have historically risen in line with inflation, and in April 2013 would have risen by 2.2% without the cap.</p>	The Welfare Benefits Up-rating Act 2013

			<p>Exemptions – Pensioners will not be affected and will see their basic state pension rise by 2.5% to £110.15 in April 2013.</p> <p>Additionally, clients in receipt of Disability Living Allowance also are exempt from the cap and will see their benefits rise in line with (CPI) inflation.</p>		
Disability Living Allowance	July/ October 2013	DLA is slowly being phased out and will be replaced by the Personal Independence Payment.	<p>DLA claimants aged 16 to 64</p> <p>Exemptions – Those under 16 can continue to claim DLA until their sixteenth birthday. Those already getting Attendance Allowance will not be affected by PIP. Other disability benefits will not be affected by PIP.</p>	<p>Claimants will be required to claim the new Personal Independence Payment (PIP) through a reassessment process. The details for PIP are still to be finalised. Implemented in July 2013 for new DLA claimants. From October 2013-2016 existing DLA claimants will be assessed for PIP.</p>	Welfare Reform Act 2012
Universal Credit	October 2013 - 2017**	<p>A number of benefits for working-age claimants will be replaced with a single streamlined benefit called Universal Credit (UC) and will aim to be digital by default.</p> <p>UC is payable on a monthly basis, in arrears, directly to people both in and out of work.</p> <p>It will be paid to just</p>	<p>Existing and new claimants of:</p> <ul style="list-style-type: none"> • Income Support • Income Related Jobseeker's Allowance • Income Related Employment Support Allowance • Housing Benefit • Working Tax Credit • Child Tax Credit <p>Exemptions – Pension credit will remain for those over the qualifying age, and those claimants will not transfer to Universal Credit.</p> <p>Universal Credit will not include Disability</p>	<p>All of these benefits will form the new Universal Credit payment. This benefit will be paid directly to claimants monthly in arrears.</p> <p>April 2013 – Pathfinder areas are used to test UC. These are Tameside, Oldham, Wigan and Warrington. Ashton under Lyne will be the first Jobcentre to accept claims for UC from 29 April.</p> <p>July 2013 – Wigan, Warrington, Oldham jobcentres will first trail the new claimant commitment and will take claims for UC beginning in July - informed by the early testing in Ashton-</p>	Welfare Reform Act 2012

		<p>one person in a household with HB now being paid directly to the recipients.</p>	<p>Living Allowance (DLA), Council Tax Reduction, Personal Independence Payment (PIP) or Carers Allowance</p>	<p>under-Lyne.</p> <p>Spring 2014 – UC will extend to Hammersmith, Rugby, Inverness, Harrogate, Bath and Shotton.</p> <p>April 2014 – Roll out of UC in Northern Ireland.</p> <p>Summer 2014 – Claims for couples start to be taken.</p> <p>Autumn 2014 – Claims for families start to be taken.</p> <p>April 2015 – UC is fully implemented across the North West of England</p> <p>2016 – UC is implemented across the UK, including Surrey.</p> <p>**After 2017 – The last claimants to be transferred will be those in the Employment and Support Allowance support group (700,000 claimants)</p>	
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