

APPENDIX 1: 3 June 2019 - Revenues and Benefits Joint Committee – Welfare Reform Strategy Action Plan update May 2019

Autumn Budget 2018		
Update	Details	Update for 3 June 2019
Universal Support	<p>Universal Support currently helps with digital support, such as using a computer to make or maintain their claim, and assistance in budgeting and managing their finances.</p> <p>DWP will enter into a new partnership with Citizens Advice immediately, and they will run their developing service alongside local authorities until 31 March 2019, when Citizens Advice will deliver the full service solely from April 2019.</p> <p>DWP will provide £39 million of funding from April 2019 to Citizens Advice and Citizens Advice Scotland to provide this service. DWP will fund Citizens Advice and Citizens Advice Scotland a further £12 million to set up delivery in the run up to April 2019 to ensure a smooth transition to the new delivery model. This funding is from Universal Support's £200 million budget, which was launched in 2015.</p> <p>There is still a great deal of clarity still required regarding how this arrangement may work, what the exact scope is, and what local authorities' role may be, with concerns as to how this model may operate and whether or not it will match the holistic service to UC customers currently being provided by our shared service to residents of Lincoln and North Kesteven.</p>	Verbal Update will be provided at this Committee

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Universal Credit and Supported Housing	<p>Consultation on a new way of providing funding for supporting housing and a “sheltered rent” closed earlier this year. The new arrangements were intended to start next year and this would have reduced drastically the number of Housing Benefit claims (including for those of pension age). Instead, ring fenced funding would have been provided to local authorities to provide support for these customers.</p> <p>On 9th August 2018, Government announced that all these plans have been dropped and that local authorities will therefore be maintaining Housing Benefit for all supported housing, including short-term. This reflects the particular needs of these vulnerable groups of people, and the government’s commitment to protect them. The plans to introduce a sheltered rent have also gone.</p>	
Universal Credit Work Allowance increase	<p>The Budget provides additional support for people transferring onto Universal Credit, and an increase in the Work Allowance that will mean 2.4 million households keep more of their income.</p> <p>The work allowance is the amount that households with children, and people with disabilities can earn before their Universal Credit award begins to be withdrawn.</p>	<p>The Work Allowance will be increased by £1,000 from April 2019. This means that 2.4 million households will keep an extra £630 of income each year.</p> <p>Higher work allowance = £503pcm Lower work allowance = £287pcm</p> <p>However if you are a worker who has no children or you or your partner have not been assessed as</p>

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<p>Extra help for households moving onto Universal Credit</p>	<p>The government has listened to representations made by stakeholders on Universal Credit, and the Budget announces an extensive package of extra support for claimants as they make the transition to Universal Credit.</p> <p>Building on the Autumn Budget 2017 announcement that Housing Benefit claimants will receive an additional payment providing a fortnight's worth of support during their transition to Universal Credit, the government will extend this provision to cover the income-related elements of Jobseeker's Allowance and Employment and Support Allowance, and Income Support. This will be effective from July 2020, and benefit around 1.1 million claimants.</p> <p>To support the transition to Universal Credit for all self-employed people, the government is also extending the 12-month grace period (the period before the Minimum Income Floor applies) to all gainfully self-employed people; giving claimants time to grow their businesses to a sustainable level. This will be introduced from July 2019 and implemented fully from September 2020.</p>	<p>2 week run on for JSA, ESA and IS customers</p> <p>These means those who are migrated to UC from July 2020 will receive 2 weeks of HB, 2 weeks of either JSA/IS or ESA and 2 weeks of UC, which adds further financial security to dealing with moving to monthly payments and lessens the need for advanced loans and threat of eviction/court.</p> <p>By reducing the maximum amount that deductions can be made and extended the repayments, this will reduce hardship.</p>

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	<p>From October 2019, the government will reduce the maximum rate at which deductions can be made from a Universal Credit award from 40% to 30% of the standard allowance. This will ensure that those on Universal Credit are supported to repay debts in a more sustainable and manageable way. From October 2021, the government will also increase the period over which advances will be recovered, from 12 to 16 months.</p>	
<p>Funding previously announced measures</p>	<p>for In addition, the Budget provides funding for the announcements made by the Secretary of State for Work and Pensions in April and June 2018 to support the roll-out of Universal Credit. This provided additional protections for welfare claimants, including: enhancements to transitional protection for people moving onto Universal Credit; extending existing support for non-parental carers and adopters in tax credits and Universal Credit; and enhanced protections for those currently receiving the Severe Disability Premium to provide additional support as Universal Credit is implemented.</p> <p>The government will deliver these changes slowly and carefully. In response to feedback on Universal Credit, the implementation schedule has been updated: it will begin in July 2019, as planned, but will end in December 2023. The scope of the surplus earnings policy in</p>	

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	<p>Universal Credit will also be temporarily reduced: it will continue to affect large earnings spikes (above £2,500) until April 2020, when it will revert to affecting earnings spikes of £300.</p>	
<p>Support for 18 to 21 year olds and supported Housing</p>	<p>In the Autumn Budget 2017, Ministers have reversed a 2014 move stopping individuals under the age of 21 automatically being entitled to Universal Credit housing costs. This decision has not yet been passed through legislation, and it is likely this will not take place in Autumn 2018 as the legislation has been delayed by 6 months.</p> <p>As a result, currently, 18 to 21 year olds are not eligible for support towards their housing costs, unless they are classed as vulnerable (as defined by DWP). Around 90% of 18-21 year olds are in these categories.</p> <p>The DWP provides a programme of intensive support for all 18 to 21 year olds making a new claim to Universal Credit. This programme is being rolled-out in line with the roll-out schedule for Universal Credit. It aims to encourage and support all young people into employment, work-related training or an apprenticeship, including a programme of intensive support that is tailored to the individuals' needs and job goals. If the individual is attending training or work experience, travel and childcare costs may also be reimbursed.</p>	<p>Since the meeting of this Committee in November 2018 from 31/12/2018 there is no longer any conditionality attached to 18-21 year olds to get help with housing Costs, any tenant that was previously turned down help with Housing Costs will automatically be awarded from their assessment period following 31/12/2018.</p> <p>Allows those 18-21 to have the rent element paid, they will still be subject to the intensive work scheme (providing they are not exempt) and will allow them to look to enter the labour market with the correct support, whilst being able to live in a stable environment.</p>

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Severe Disability Premium and Universal Credit	January 2019	<p>Claimants receiving the Severe Disability Premium in a legacy benefit will not be able to move on to Universal Credit for the foreseeable future.</p> <p>The SDP is an amount paid to severely disabled people as part of the following legacy benefits:</p> <ul style="list-style-type: none"> • JSA(IB) • ESA(IR) • IS • HB <p>These claimants also need to be in receipt of one of the following disability benefits, and live alone (or be classed as living alone) and no one must be in receipt of Carer’s Allowance (CA) or the UC Carer Element for caring for them:</p> <ul style="list-style-type: none"> • Disability Living Allowance (DLA) care component at the middle or higher rate • Personal Independence Payment (PIP) daily living component at the standard or enhance rate • Attendance Allowance or Constant Attendance Allowance • Armed Forces Independence Payment (AFIP). 	<p>By retaining those with SDP under HB this allows for them to continue to receive disability premiums, which there are currently none under UC.</p> <p>Those that have already moved over before the regulations changed will be given backdated “compensation” payments as a transitional payment”. Details are yet to be released.</p> <p>With this being based on a premium and not a physical income, customers may find this change complex and confusing.</p>

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		<p>If the claimants are in a couple, they get the higher amount of severe disability premium if the claimant and partner are eligible.</p> <p>Claimants who receive a legacy benefit which includes the SDP, will no longer receive SDP or any other premium once they make a claim to UC. These premiums are not payable under UC regulations.</p>	
Universal Credit Two-child Limit	1 February 2019	<p>Families with more than two children who make new claims for Universal Credit will no longer be directed to claim Child Tax Credit.</p> <p>The two child limit will not apply to those families.</p> <p>Those who have been awarded Universal Credit after April 2017 and have two or fewer children but who then have a third or subsequent child will have the two-child limit applied.</p>	<p>Those that have more than 2 children before April 2017 will get the child element under UC for all children, if a subsequent child is born after April 2017 they will not get the child element for this child.</p> <p>Those who have a 3rd child after April 2017 will not get the child element for this child (they would still be entitled to any disabled elements).</p> <p>Those with more than 2 children, who get the child element will in most cases be subject to the Benefit Cap of £20,000, which in</p>

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Pension Credit Child allowances	1 February 2019	People of Pension Credit age who are responsible for a dependent child or children, will receive help with the child or children in the form of dependent allowances paid within their Pension Credit award. This is because you will no longer be able to make a new claim for Tax Credits (Child Tax Credit or Working Tax Credit) if you are Pension Credit age.	
Universal Credit Work Allowance Increases	April 2019	Work allowances are the amount of your earnings from employment that you are allowed to keep before it is taken into account as income for Universal Credit. These will increase by £1000 for the year, meaning that people in work who have children or have limited capability for work (or their partner has limited capability for work) will benefit by up to £630 per year.	
National Minimum Wage Increase	April 2019	The National Living Wage will increase by 4.9% from £7.83per hour to £8.21 per hour in April 2019. The National Minimum Wage increases from £7.38 per hour to £7.70 per hour for people aged 21 to 24; and from £5.90per hour to £6.15per hour for people aged 18 to 20.	

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Universal Credit and Mixed Aged Couples	16 May 2019	Couples where one partner is aged above Pension Credit age and the other is aged under Pension Credit age, will no longer be able to make a new claim for Pension Credit. Instead they will have to claim Universal Credit. Mixed aged couples on Pension Credit can continue to remain on Pension Credit as long as they continue to satisfy the other qualifying conditions for Pension Credit.	