

Welfare Reform: Key Areas of Reform		Potential Impact / Potential Solutions / development
<p>Universal Credit</p> <p>Phased in over 3 years:</p> <ul style="list-style-type: none"> • April 2013 Pathfinder areas • October 2013 – all new claims • All existing claims phased over 4 year period till October 2017 	<ul style="list-style-type: none"> • All existing working age benefits (such as Jobseekers Allowance, Income Support and Working Tax Credit) will be subsumed within one monthly household payment of Universal Credit. • It'll be paid to people both in and out of work. • A new tougher sanctions regime will also be introduced, tying claimants more closely to labour market activity • Couples made up of pensioners and someone of working age will be treated as a working age household instead of a pensioner household. This could mean losses in excess of £100 per week for some • Impact of direct payment to be mapped through pilot (including Shropshire) • Online claims and real time adjustment via PAYE. Self employed to update system themselves on monthly basis. 	<ul style="list-style-type: none"> • Overpayments all recoverable. • No right of appeal • Recovery by earnings deductions • 6 year limitation rule does not apply to recovery of benefits • Extension of admin penalties • £50 penalty for” misrepresentation or failure to provide information. <p>Sanctions: risks for most vulnerable.</p> <p>Less support for disabled adults and disabled children</p> <p>Not all details know – awaiting results of pilot</p> <p>Governments assessment of impact: 5.9 million households will have a change in household entitlement as a result of Universal Credit (3.1 million will have a higher entitlement and 2.8 million a lower entitlement).</p> <p>All claimants to sign a work commitment – including those in part time work.</p>
<p>Housing Benefit</p> <p>A number of changes are being introduced in order to save £2 billion from this budget by 2014</p>	<ul style="list-style-type: none"> • LHA rates uprated by CPI not by actual rates. • Bed room tax & Under occupancy penalties • Single room rent applies to under 35's • Impact of direct payments • Non dependent deductions “updated” • Consultation on future of SMI (standard 	<ul style="list-style-type: none"> • Increased homelessness • fewer properties will be available to rent <p>Shropshire residents affected by bed room tax - 2130</p>

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	monthly interest to help with people with mortgages)	
<p>Personal Independence Payment (PIP). – replaces DLA /AA</p> <p>Phased in over 3 years:</p> <ul style="list-style-type: none"> • April 2013 – new claimants in North of England • June 2013 all new claimants • October 2013 current DLA claimants invited to claim • Jan 2014 to March 2016 all reassessed. • 	<ul style="list-style-type: none"> • Entitlement will be based on a new face-to-face medical assessment • Tougher points based criteria • Children and older claimants not migrated • People will have to reapply – no automatic transfer. May lead to high level of appeals. 	<p>Budget for this benefit will be cut by 20 per cent from its current level. Around one in six current DLA claimants will not qualify for PIP.</p> <p>In Shropshire, (Dec 2012) 7,550 working age adults claiming DLA. 2,660 (35%) claim at lower rate where stricter criteria may result in loss of benefit.</p>
<p>Employment and Support Allowance (ESA).</p>	<ul style="list-style-type: none"> • contribution-based ESA will be time limited to just one year • 	<p>Around 300,000 people assessed as disabled or too ill to work will lose over £95 each week as a result. Overpayments all recoverable.</p>
<p>Council Tax Benefit</p> <p>Schemes in place by 31st January 2013</p> <p>Council tax Benefit Abolished April 2013.</p>	<ul style="list-style-type: none"> • will be replaced by localised schemes The current budget (less 10 per cent) • could be different in other local authorities bordering Shropshire • Only pensioner households are protected 	<ul style="list-style-type: none"> • Possible challenges to Valuation Tribunal • Could create more hardship and debt <p>Still awaiting guidance on local solutions Draft Corporate Debt Policy has to be clear on how Council Tax arrears are dealt with.</p>
<p>Social Fund</p>	<ul style="list-style-type: none"> • Community Care Grants and Crisis Loans abolished and • budgeting loans replaced by budgeting advances in Universal Credit • budgets devolved to local authorities without any requirement to provide any 	<p>Still awaiting guidance on local solutions In 2009/10 there were over 3.6 million crisis loan applications.</p>

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	specific support. <ul style="list-style-type: none"> Independent Review Service abolished. 	
Benefit cap Introduced April 2013	<ul style="list-style-type: none"> (currently set at £500 a week for a family and £350 for a single person). Applies to “out of work and part time workers No consideration of personal circumstances. 	87 people affected by cap in Shropshire.
Direct Housing Payments	<ul style="list-style-type: none"> Have been carried over - need longer term understanding of how this will be used locally. 	

Some Delivery Challenges.

- Digital by default -
- Monthly payments (budgeting challenges, rent no longer paid to landlord)
- Child payments no longer go to carer
- Sanctions will hit the vulnerable more

Citizens Advice Resources:

http://www.citizensadvice.org.uk/help_for_helping_your_residents Local Councillors Guide

<http://www.citizensadvice.org.uk/>

<http://www.adviceguide.org.uk>