



Welfare Reform

Spare Room Subsidy – ‘Bedroom Tax’

From April 2013 new rules mean that Housing Benefit claimants who rent their homes from the Council or a Housing Association may have a reduction applied to their benefit if they are assessed as under-occupying their property.

How is it worked out?

One bedroom is allowed for:

- A lone parent/ couple,
- Any two children aged under 10 years
- Any two children of the same gender aged under 16 years
- Any other child
- Any person aged above 16 years.

What are the reductions?

The amount of rent allowed to be included in the Housing Benefit calculation will be reduced by 14% for claimants with 1 ‘spare’ bedroom and by 25% for claimants with two or more ‘spare’ bedrooms.

Exemptions

These rules do not apply to pensioners. Additionally people who require an overnight carer and foster carers may also be permitted an extra room. Where it is not appropriate for a disabled child to share a bedroom an additional room may be made allowed.

Discretionary Housing Payments

Local Authorities have access to a large sum to assist Housing Benefit claimants who have had a reduction to their Housing Benefit - either because of the ‘bedroom tax’ or because they do not receive the full rent for another reason. Claimants should contact the local authority to claim this extra help.

Waiting Days

Waiting days – the period at the start of a benefit claim before a claim can start to be paid, have now been extended from 3 to 7 for Employment and Support Allowance and Jobseekers Allowance.

Council Tax

There has been a significant review of the way that financial help with council tax charges is allocated; local authorities are now responsible for making decisions about which groups qualify for support and the level at which any assistance is made.

In Northamptonshire individual authorities have made a decision that all working age claimants will contribute between 8.5-29% of the applicable charge. Previously Council Tax Benefit claimants received a 100% rebate, so regardless of income levels all working age residents will pay some level of contribution.

Exemptions

Pensioners are not affected by this change and can continue to qualify for assistance to cover the full amount of the council tax charge.

Benefit Cap

An upper limit applies to the amount of benefit that households can receive. The cap is set at an amount not to exceed the income of an average working family. For single claimants this maximum is set at £350 per week and for couples (with or without children) and lone parents the maximum amount is £500 per week. This is expected to be reduced further in the Autumn of 2016.

The benefits that are included are all income-based benefits (income support, income based Job Seekers Allowance, income related Employment & Support Allowance), Tax Credits, Child Benefit and Housing Benefit.

Exemptions

Some households will not be affected by the Benefit Cap, including those where an adult is in work and would qualify for Working Tax Credit or households where someone is in receipt of Disability Living Allowance or Personal Independence Payments.

Local Welfare Provision

The national scheme of Community Care Grants and Crisis Loans administered by DWP were abolished in 2013 and replaced with schemes designed by councils. In Northamptonshire the County Council has decided not to continue with any further support to this scheme so no emergency help is available under Local Welfare Provision.

Personal Independence Payment

From 2013 a new benefit has replaced Disability Living Allowance for all new working age (16-64 years) claimants. This is an additional payment for claimants with longer-term health problems, affecting their ability to move around outdoors and/ or undertake daily living tasks.

There are two components – ‘daily living’ and ‘mobility’. Each component has two rates – standard or enhanced, depending on the level of difficulty experienced. Eligibility is assessed using a points-based scoring process. A majority of claimants will be expected to undergo a face-to-face assessment.

Existing Disability Living Allowance claimants:

Working age claimants who already have an award of Disability Living Allowance are currently being invited to make a claim for PIP rather than renewing their claim. You cannot receive Disability Living Allowance and PIP at the same time.

Universal Credit

Universal Credit is a new benefit that will eventually replace means tested benefits – including Income Support, income based Job Seekers Allowance, income related Employment & Support Allowance, Housing Benefit, and (Child & Working) Tax Credits.

The Government want to introduce a simpler benefits system and believes Universal Credit will be easier to claim, manage and administer. It is intended that the majority of Universal Credit process will be carried out online. The Government hope that having one benefit will make it easier for claimants to understand the effect on their benefits of getting into work and encourage more people to move from benefits into employment.

How will it be paid

Claimants will receive one monthly payment to cover their personal living expenses, amounts for any children and housing costs (rent and mortgage). Payments will be made in arrears. One partner in a couple will receive the payments and claimants will be expected to make rent payments rather than these going directly to their landlord.

When will Universal Credit start?

It is already in place in Northamptonshire for most single people who are seeking work who make a new claim due to unemployment. It will be rolled out to wider groups over the next few years, although there is currently no set timetable.

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