



# WELFARE REFORM BRIEFING NOTE DECEMBER 2012

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## RESOURCES

The Outer Hebrides Community Planning Partnership has gathered together useful resources on welfare reform onto one internet page. Here is the link:

[http://www.ohcpp.org.uk/index.php?option=com\\_content&view=article&id=195:useful-information-on-poverty-and-welfare-reform&catid=77:papers](http://www.ohcpp.org.uk/index.php?option=com_content&view=article&id=195:useful-information-on-poverty-and-welfare-reform&catid=77:papers)

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## NEW JOB SEEKER ALLOWANCE SANCTIONS

Three levels of sanctions can now be applied to this allowance:

- **Higher**– sanctions of 13, 26 and 156 weeks
- **Intermediate** – sanctions of up to 4 and up to 13 weeks
- **Lower**– Sanctions of 4 and 13 weeks

Access to hardship provision remains, sanctions potentially increase for repeated failure to comply

For more information: <https://www.gov.uk/jobseekers-allowance/further-information>

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## EMPLOYMENT SUPPORT ALLOWANCE CHANGES

Limits the time people receive contribution based ESA if in the work related activity group (WRAG) or assessment phase to 365 days. A new sanctions regime takes effect for WRAG customers from December 2012.

For more information: <https://www.gov.uk/employment-support-allowance/overview>

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## PERSONAL INDEPENDENCE PAYMENT (PIP)

Rolls out nationally from June 2013.

Applies to 16-64 year olds and replaces Disability Living Allowance (DLA). DLA remains for those aged under 16 or over 65.

For more information: <https://www.gov.uk/pip>

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## UNIVERSAL CREDIT

Universal Credit will replace Job Seekers Allowance, Employment Support Allowance and Tax Credits and Housing Benefit.

Payments will be made monthly direct into the person's bank account.

The changeover to Universal Credit will start in October 2013 and will be completed by October 2017.

For more information: <http://www.dwp.gov.uk/policy/welfare-reform/universal-credit/>

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## COUNCIL TAX REDUCTION SCHEME

A single Council Tax Reduction (CTR) Scheme will be implemented throughout Scotland from 1 April 2013 to replace the current Council Tax Benefit Arrangements.

In 2013/14 the new scheme in Scotland will take forward the same eligibility and assessment criteria as the current Council Tax Benefit Scheme. The scheme for 2014/15 onwards is currently being discussed by COSLA and the Scottish Government.

For more information: <http://www.cne-siar.gov.uk/benefits/index.asp>

## **BENEFIT CAP**

From 1 April 2013 a cap will be introduced on the total amount of benefit that working age people can receive. The cap is currently £500 a week for families, or £350 for childless single-adult households.

The cap will be administered through deductions from Housing Benefit payments and then, once introduced Universal Credit.

The cap will be calculated by totalling up out of work benefits, Housing Benefit, Child Benefit and Child Tax Credit

There will be a number of households exempt from the cap:

- Those entitled to Working Tax Credit, Disability Living Allowance, Personal Independence Payment, Attendance Allowance, Employment Support Allowance Support Component, Industrial Injuries Benefits and War Widows/Widower pension; and
- Claimants who have been in work for 52 weeks or more prior to claiming benefit who will be given a grace period of up to 39 weeks before the cap is implemented.

All affected claimants have been written to by DWP to inform them of the cap and this has been followed up by telephone contact.

For more information: <http://www.dwp.gov.uk/adviser/updates/benefit-cap/>

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## **SOCIAL SECTOR SIZE CRITERIA (BEDROOM TAX)**

From 1 April 2013, all current and future working age tenants renting from a local authority, housing association or other registered social landlord will receive Housing Benefit based on the house size needs of their household.

The size criteria allows one bedroom for each person or couple living as part of the household with the following exceptions:

- Children under 16 of the same gender are expected to share;
- Children under 10 are expected to share regardless of gender;
- A disabled tenant or partner who needs a non-resident overnight carer will be allowed an extra room; and
- Foster children will not be included in the calculation.

Tenants with one bedroom more than required will lose 14% of their Housing Benefit.

Tenants with two or more bedrooms more than required will lose 25% of their Housing Benefit.

Extra funding has been made available to enable Discretionary Housing Payments to be used to support claimants affected by this change who unable to move due to being disabled and living in adapted accommodation or being foster carers.

Comhairle will be making leaflets provided by DWP available to the public.

Hebridean Housing Partnership (HHP) tenants are particularly affected. HHP have been communicating with tenants on this issue both directly and through newsletters.

For more information: <http://www.cne-siar.gov.uk/benefits/index.asp>

<http://www.hebrideanhousing.co.uk/>

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## **THE SCOTTISH WELFARE FUND**

Local Authorities have been tasked with administering the successor arrangements for the Social Fund. This fund was previously run by the Department for Work and Pensions (DWP).

The Scottish local authority scheme will be known as "The Scottish Welfare Fund" and will comprise Community Care Grants and Crisis Grants.

Schemes to support people in need through the provision of goods and food "in kind" will be available locally.

For more information: <http://www.cne-siar.gov.uk/benefits/index.asp>

<http://www.trusselltrust.org/> (Food bank)