

# Welfare changes

what you need to know



Understand the upcoming changes to welfare and benefits.



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City Council

# What you need to know

This booklet has been created to help Nottingham citizens and organisations supporting those citizens, to better understand the upcoming changes to welfare and benefits. It sets out what the changes are, what they mean for new and existing benefit claimants and where to get more information, advice and help, including support in finding employment.

The Government recently passed the Welfare Reform and Work Act 2016 which makes further changes to the benefit system which will affect almost all people in Nottingham who claim benefits. These changes will affect both working and out of work benefit claimants with some of the main effects being on working people, particularly those with larger families.

These changes are in addition to changes such as the 'bedroom tax' and the Council Tax Support scheme which were introduced in 2013 and continue to affect a significant number of people in Nottingham.

In February 2016, Universal Credit was introduced in Nottingham, at first for a limited number of new claimants, but gradually for all claimants. This will integrate six benefits paid to working and out of work claimants into one payment.

## What's the Council doing to help?

Nottingham City Council is:

### → Lobbying Government

- Nottingham City Council passed a motion calling on Government to reverse welfare cuts which affect the most vulnerable citizens in the City
- responding to consultations in partnership with the Advice sector
- highlighting concerns on Universal Credit and asking for clarity on Universal Credit implementation; process and timescales.

### → Helping to prepare our citizens

- investing in advice services
- plus our own Welfare Rights service to provide benefits advice and support with budgeting/ money management and debt.
- organising job fairs and advertising local job opportunities through [www.nottinghamjobs.com](http://www.nottinghamjobs.com)

### → Helping with energy bills

- The Council has launched Robin Hood Energy, a not for profit energy company aiming to provide low cost energy.
- Advice Nottingham is also offering a support scheme to help local people in fuel debt. The scheme offers money to eligible city residents to help relieve fuel debt.

### → Working with the Credit Union

- to improve access to bank accounts and affordable loans.

### → Working with partners

- including Nottingham City Homes (NCH), registered social landlords, advice agencies

# Changes in 2016

## 1 Universal Credit

In February 2016, Universal Credit was introduced in Nottingham City. Universal Credit seeks to bring together six current in-work and out-of-work benefits for working age people into one new, single benefit.

Universal Credit replaces:

- **Income Support**
- **Income Based Job Seekers Allowance**
- **Income Based Employment and Support Allowance**
- **Tax Credits (Working Tax Credit and Child Tax Credit)**
- **Housing Benefit**
- **Budgeting Loans and Crisis Loan alignment payments**

## What's changing?

Universal Credit will be paid to both working and out of work households<sup>1</sup>.

Universal Credit will be paid monthly in arrears; this means that you will have to wait at least five to six weeks after your claim is accepted before you receive any payments. If you cannot wait this long without a payment, you can apply for an Advanced Payment. This is a loan which will normally be deducted in instalments from your Universal Credit claim over three months.

One Universal Credit payment will be made per household rather than the current system of separate payments being made to individual claimants.

You will have to apply for Universal Credit online and use the internet to manage your claim. Help will still be available by phone and in Job Centres and from local advice services.

If you are entitled to Housing Benefit, it will be paid to you as part of your Universal Credit claim rather than direct to your landlord. You will then be responsible for paying your rent.

At the moment, your application for Council Tax Support is processed as part of your claim for Housing Benefit. If you claim Universal Credit, you will need to apply to the Council for Council Tax Support separately as it will not be included in your Universal Credit claim.



<sup>1</sup>A household is defined as one adult, or two adults living as partners and any dependent children living with them. Dependent children are defined as any children aged 0-15 and those aged 16-18 in full time education. Any other adults or non-dependent children living in the same accommodation will be treated as a different claimant household.

# What does this mean for people in Nottingham?

- From February 2016, new claimants aged 18 to 60½ who are single, have no dependent children and are looking for work will claim Universal Credit instead of Job Seekers' Allowance.
- All other people will continue to be able to claim from the existing benefit system. This is to allow the new system to be tested and to adapt slowly to more complex claims.

Once you start a Universal Credit claim, you will stay on Universal Credit if your situation changes i.e. you find work or have children. If you move in with a partner, you will form a joint Universal Credit claim.

Out of work claimants of Universal Credit will have to sign a claimant commitment. This will detail the steps you must take to qualify for the benefit. The conditions will vary for different people, but you will generally need to show you are preparing for a return to work or actively looking for a job.

Working claimants may also have conditions attached to your claim if your earnings are below a certain level, generally equivalent to a full time job at the minimum wage. These conditions would require you to look for more hours or a better paid job. For joint claimants, both claimants will have to sign their own claimant commitment.

## Future changes

Under current government plans, from 2017, all new claimants will claim Universal Credit. This will include people who transfer between benefits. For example, if you claim JSA and then find work, you will apply for in work Universal Credit rather than Working Tax Credits.

### **Further changes will be introduced after April 2017:**

- New claimants with children will be able to claim around £500 less than existing claimants.
- New claimants with three or more children will only be able to claim for two children, although this only applies if your third or subsequent children were born after April 2017.
- All claimants with children aged three or over will be expected to look for work if they are able to work.

Eventually, all existing claimants will be transferred to Universal Credit. The timetable for this has not been announced, but it is unlikely to begin before 2018.

## What is being done in the lead up to this change?

Nottingham City Council is working with local Advice Services and the Department for Work and Pensions to ensure staff and partners are informed about the upcoming changes.

Online benefits calculators are available to help you calculate your entitlement to benefits and how you will be affected once you start to claim Universal Credit.

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

<https://www.turn2us.org.uk/>

Local and Council advice services also offer free assessments to check your entitlement to benefits and how you will be affected by Universal Credit. See the 'Where you can get more help' section at the end of the booklet for contact details.

Nottingham libraries have bookable computers which you can use to apply for Universal Credit and manage your claim. Libraries staff are also able to offer advice around how to use the computers and how to apply for benefits online.

If you would prefer to use a mobile phone or tablet to access the internet, the libraries and other Council run buildings listed below offer free WiFi access.

Aspley Library	Meadows Library	Clifton Leisure Centre	Loxley House
Basford Library	Radford Library	Djanogly Leisure Centre	
Bilborough Library	Sherwood Library	Harvey Haddon	Wollaton Hall
Bulwell Riverside	Sneinton Library	John Carroll Leisure Centre	Brewhouse Yard
Central Library	Southglade Library	Ken Martin Swimming Centre	
Clifton Library	St Ann's Valley Centre	Victoria Leisure Centre	
Mary Potter Centre	Wollaton Library	Nottingham Tennis Centre	

## 2 Benefits freeze

### What's changing?

The rate at which certain benefits are paid will not increase for four years. The benefits affected are

- **Tax Credits**
- **Housing Benefit**
- **Child Benefit**
- **Job Seekers' Allowance**
- **the Work Related Activity Group of Employment and Support Allowance**
- **Income Support for Lone Parents**
- **Universal Credit**

### What does this mean for people in Nottingham?

Most benefit claimants in the City, whether working or out of work will see no increase in the amount you receive in benefits, unless your situation changes and you become eligible for other benefits. This means that as the cost of living increases over time, the value of benefits will fall in comparison.

Other working age benefits will continue to increase in line with inflation. If you are disabled the extra payments you receive as part of Tax Credits or Housing Benefit will also increase with inflation.

## 3 Benefits cap

### What's changing?

The Benefits Cap was introduced in April 2013 and limited the maximum amount of benefit that a household could claim to £26,000 per year if no one in the household worked.

**From October 2016, this maximum will be reduced,**

- Out of work couples and lone parents will be able to claim a maximum of £20,000 per year
- Single claimants without children will be able to claim a maximum of £13,400 per year.

If your household is currently entitled to more than the maximum amount, your housing benefit will be reduced to meet the maximum amount. The exact date for this change has not yet been announced but affected households will receive a letter from the Department for Work and Pensions before their payment is reduced.

## What does this mean for people in Nottingham?

The current Benefit Cap affects around 150 households in Nottingham. The new Cap could affect around 2,000 families in Nottingham, with the main impacts being on out of work households with three or more children, or single people with relatively high housing costs.

Households containing a person who claims certain benefits related to disability, sickness or the Armed Forces, will be exempt from the Cap.

If you, or someone in your household, finds work and qualifies for in work benefits, your Housing Benefit will no longer be capped.

## What is being done in the lead up to this change?

You will be informed by the Department for Work and Pensions if your benefit level exceeds the Cap and the appropriate amount will automatically be deducted from your Housing Benefit claim. Housing Benefit can be reduced to a minimum of 50 pence per week, but your other benefits will not be reduced by the Benefit Cap. If you are claiming Universal Credit your total payment will fall to the level of the Cap.

If you are affected by the Benefit Cap and are struggling to pay your rent, you should contact your landlord. Nottingham City Council's Welfare Rights Service and advice agencies across the city can provide advice on budgeting and can check that you are receiving all of the benefits to which you are entitled. Contact details are at the back of this booklet.

## 4 National Living Wage

### What's changing?

In April 2016, the National Minimum Wage is to be replaced by the "National Living Wage" for people aged 25 and over. The current minimum wage of £6.70 per hour will increase to £7.20 per hour in April 2016 although this will still be lower than the Living Wage of £8.25 as set by the Living Wage Foundation. This will gradually increase to reach around £9.35 per hour by 2020.

### What does this mean for people in Nottingham?

If you are aged 25 and over and on the minimum wage, you will see your earned income increase if you work the same number of hours, although this may mean that any Tax Credits or Housing Benefit you are entitled to will reduce. Younger people will continue to be paid at the lower National Minimum Wage (currently £6.70 for people aged over 21; £5.30 for people aged 18 to 20; £3.87 for under 18s and £3.30 for apprentices).

# Changes in 2017 or later

## 5 Employment and Support Allowance

### What's changing?

Employment and Support Allowance (ESA) is paid to claimants who are deemed 'not fit to work' after being assessed by a Work Capability Assessment. Claimants are placed in either the Work Related Activity group if their condition is expected to improve, or the Support group if they are unlikely to be able to return to work.

#### From April 2017,

- New ESA claimants placed in the Work Related Activity group will receive the same amount of money as a Job Seekers Allowance claimant, currently £73.10 per week.
- Existing claimants in the Work Related Activity group will continue to be paid at the current ESA level. At the moment this is £102.15 per week.
- ESA claimants in the Support Group will continue to receive a higher level of payment, currently between £109.30 and £186.90 per week, which will also increase with inflation.

### What does this mean for people in Nottingham?

The impact in Nottingham will initially be fairly small, as existing claimants will still receive the current, higher, payment level.

Existing claimants in the Work Related Activity group who leave and return to ESA within 13 weeks, will continue to be paid at the current rate. After 13 weeks, a new claim is started and paid at the new, lower rate.

If you are a new claimant, you may appeal against being placed in the Work Related Activity group if you feel your Work Capability Assessment should have placed you in the Support group



## 6 Youth Obligation

### What's changing?

From April 2017, the Youth Obligation will limit access to unemployment and housing benefits for young people. If you are aged 18-21 and are out of work, you will receive benefits and support for 6 months, after which you will be expected to either: move into work; take an apprenticeship or traineeship or; take a mandatory work placement. New claimants in this age group who are out of work will also be unable to claim housing support, although there are exemptions for parents and vulnerable groups.

### What does this mean for people in Nottingham?

The changes will apply to new claimants of Job Seekers' Allowance and Universal Credit aged 18-21. People whose claims started before April 2017 will be unaffected.



## 7 Social Housing 'Pay to Stay'

### What's changing?

Social Housing tenants with a combined household income of £30,000 or more will be required to pay a higher level of rent, equivalent or closer to rents in the private sector.

### What does this mean for people in Nottingham?

After April 2017, if you are a household who rents their home from the Council or from a Housing Association, you will see your rent increase if the combined income of up to two adults in your household is more than £30,000. The amount of rent you pay will increase as your income goes up until it reaches a 'market rent'.

The details of the changes have not been confirmed so it isn't clear how rents will increase, how a 'market rate' will be worked out and whether a household's income is just their earnings from work or if it includes benefits such as Tax Credits.

## 8 Housing Benefit

### What's changing?

Housing Benefit, which is paid to people who need help with their rent and live in Social Rented housing (rented from the Council or a Housing Association), will be capped at the same level as Local Housing Allowance, an equivalent payment for people renting in the private sector. The cap will come into force in April 2018 but will apply to any tenancy agreement signed after April 2016.

For people living in Supported Accommodation, it will only apply to tenancy agreements signed after April 2017. However, the Government has announced that it will suspend the implementation of the LHA cap for all tenants in the social sector for 12 months, while the current supported accommodation research project and subsequent policy review runs its course during 2016/17.

### What does this mean for people in Nottingham?

This will not have an impact on most Housing Benefit claimants as Social Rented housing in Nottingham tends to be cheaper than the private sector. However, two groups of people could receive less help towards paying their rent.

- Single people aged under 35, with no dependent children, will only be able to claim for the equivalent of a room in shared accommodation rather than a one bedroomed property. On average these claimants will lose £11 per week under these changes.
- People in supported accommodation are currently exempt from the maximum cap on Housing Benefit but this exemption will be lost under the LHA cap unless the Government review decides the cap should not apply to supported accommodation. For most people in supported accommodation, this would mean a large reduction in their payments. People affected by these changes should contact their landlord for further advice.



# Where can people get more help?

## Local advice services

Many local advice services offer bookable, one-to-one, sessions to discuss the changes affecting you.

### Advice Nottingham

[www.advicenottingham.org.uk](http://www.advicenottingham.org.uk)

### Bestwood Advice Centre

Phone: 0115 962 6519

Email: [advice@bestwoodadvice.org.uk](mailto:advice@bestwoodadvice.org.uk)

[www.bestwoodadvice.org.uk](http://www.bestwoodadvice.org.uk)

### Clifton Advice Centre

Phone: 0115 940 5551

### Energy Advice Team, Nottingham City Council

Phone: 0115 876 3537

Email: [energyteam.housing@nottinghamcity.gov.uk](mailto:energyteam.housing@nottinghamcity.gov.uk)

### Housing Aid Team, Nottingham City Council

Phone: 0115 876 3300

Email: [housingaid@nottinghamcity.gov.uk](mailto:housingaid@nottinghamcity.gov.uk)

[www.nottinghamcity.gov.uk/article/23988/Housing-Aid](http://www.nottinghamcity.gov.uk/article/23988/Housing-Aid)

### Meadows Advice Group

Phone: 0115 986 0197

Email: [meadows\\_advice@btconnect.com](mailto:meadows_advice@btconnect.com)

[www.meadowspartnershiptrust.org.uk/community/meadows-advice-group.aspx](http://www.meadowspartnershiptrust.org.uk/community/meadows-advice-group.aspx)

### Nottingham Citizens' Advice Bureau

Phone: 0844 848 7997 or

From a mobile: 0300 330 5457

<http://nottinghamcab.org.uk/home>

### Nottingham City Homes

Phone: 0115 915 2222

[www.nottinghamcityhomes.org.uk](http://www.nottinghamcityhomes.org.uk)

### Nottingham Credit Union

Phone: 0115 828 3121

[www.nottinghamcu.co.uk](http://www.nottinghamcu.co.uk)

### Nottingham Law Centre

Phone: 0115 978 7813

[www.nottinghamlawcentre.org.uk](http://www.nottinghamlawcentre.org.uk)

### Robin Hood Energy

Phone: 0800 030 4567

[www.robinhoodenergy.co.uk](http://www.robinhoodenergy.co.uk)

### St Ann's Advice Centre

Phone: 0115 950 6867

Email: [info@stannsadvice.org.uk](mailto:info@stannsadvice.org.uk)

[www.stannsadvice.org.uk](http://www.stannsadvice.org.uk)

### Welfare Rights Service, Nottingham City Council

Phone: 0115 915 1355

Email: [welfarerights@nottinghamcity.gov.uk](mailto:welfarerights@nottinghamcity.gov.uk)

[www.nottinghamcity.gov.uk/welfarerights](http://www.nottinghamcity.gov.uk/welfarerights)

## Local employment support

These organisations offer support, training and job opportunities to local people looking to enter or return to the workforce.

### Nottingham Jobs – for job opportunities, apprenticeships and employment events

Phone: 0115 876 4508

[www.nottinghamjobs.com](http://www.nottinghamjobs.com)

[www.nottinghamjobs.com/events/upcoming-events](http://www.nottinghamjobs.com/events/upcoming-events)

### Right Track

(focus on Bulwell, Bestwood and Basford)

Phone: 0115 9200 300

[www.rtse.co.uk](http://www.rtse.co.uk)

### NG7 (Berridge and Sherwood)

Phone: 0115 979 1052

[www.ng7tea.org.uk](http://www.ng7tea.org.uk)

### City College (St Ann's, Sneinton and Mapperley)

Phone: 0115 910 1455

<http://citycollegenottingham.com/facilities-2/kk-sports-centre/>

### The Renewal Trust

(St. Ann's, Sneinton and Mapperley)

Phone: 0115 911 2226

Email: [enquiries@renewaltrust.org.uk](mailto:enquiries@renewaltrust.org.uk)

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

### Meadows Partnership Trust

(Meadows and Clifton)

Phone: 0115 915 0077

[www.meadowspartnershiptrust.org.uk](http://www.meadowspartnershiptrust.org.uk)

### Groundwork (Aspley, Bilborough)

Phone: 0115 9788 212

[www.groundwork.org.uk](http://www.groundwork.org.uk)

### BEST (Broxtowe Estate)

Phone: 0115 975 0084

[www.nottinghamcityhomes.org.uk/get\\_involved/training/Best.aspx](http://www.nottinghamcityhomes.org.uk/get_involved/training/Best.aspx)

### Castle Cavendish

(Lenton, Radford and Arboretum)

Phone: 0115 900 3100

[www.castlecavendish.org.uk/funding](http://www.castlecavendish.org.uk/funding)

## National advice services

### **Citizens' Advice Bureau**

Phone: 0844 848 7997 or  
From a mobile: 0300 330 5457  
[www.citizensadvice.org.uk/benefits/](http://www.citizensadvice.org.uk/benefits/)

### **StepChange Debt Charity (CCCS)**

Phone: 0800 138 1111  
[www.stepchange.org](http://www.stepchange.org)

### **Money Advice Service**

Phone: 0300 500 5000  
[www.moneyadviceservice.org.uk](http://www.moneyadviceservice.org.uk)

### **National Debtline**

Phone: 0808 808 4000  
[www.nationaldebtline.co.uk](http://www.nationaldebtline.co.uk)

## Information about, or applying for benefits

### **Council Tax Support Scheme**

Phone: 0115 718 4444  
Email: [benefits.housing@nottinghamcity.gov.uk](mailto:benefits.housing@nottinghamcity.gov.uk)  
[www.nottinghamcity.gov.uk/counciltaxreduction](http://www.nottinghamcity.gov.uk/counciltaxreduction)

### **Department for Work and Pensions**

[www.dwp.gov.uk](http://www.dwp.gov.uk)

### **Entitled to**

Benefits calculator  
[www.entitledto.co.uk](http://www.entitledto.co.uk)

### **Housing Benefit**

Nottingham City Council Phone: 0115 718 4444  
Email: [benefits.housing@nottinghamcity.gov.uk](mailto:benefits.housing@nottinghamcity.gov.uk)  
[www.nottinghamcity.gov.uk/housingbenefit](http://www.nottinghamcity.gov.uk/housingbenefit)

### **Job Centre Plus**

Phone: 0800 055 6688  
[www.gov.uk/browse/working/finding-job](http://www.gov.uk/browse/working/finding-job)  
[www.gov.uk/jobsearch](http://www.gov.uk/jobsearch)

### **GOV.UK**

The Government's information portal for citizens  
[www.gov.uk](http://www.gov.uk)

### **Turn to us**

Benefits calculator  
[www.turn2us.org.uk](http://www.turn2us.org.uk)

## Housing Association Tenants

Many Housing Associations offer help and advice to their tenants with regard to their rent and benefits, as well as offering training and help finding employment. Contact details for the main Housing Associations in Nottingham can be found below.

### **Accent Group**

Phone: 0345 678 0595  
[www.accentgroup.org](http://www.accentgroup.org)

### **Affinity Sutton**

Phone: 0300 100 0303  
[www.affinitysutton.com](http://www.affinitysutton.com)

### **ASRA**

Phone: 0116 257 6716  
[www.asra.org.uk](http://www.asra.org.uk)

### **Derwent Living**

Phone: 01332 346477  
[www.derwentliving.com](http://www.derwentliving.com)

### **Framework Housing**

Phone: 0115 841 7711  
[www.frameworkha.org](http://www.frameworkha.org)

### **Guinness Northern Counties**

Phone: 0303 123 1890  
[www.guinnesspartnership.com](http://www.guinnesspartnership.com)

### **Longhurst Group**

Phone: 0345 608 8006 (landline) or  
0300 123 1575 (mobile)  
[www.landh.org.uk](http://www.landh.org.uk)

### **Metropolitan**

Phone: 0203 535 3535  
[www.metropolitan.org.uk](http://www.metropolitan.org.uk)

### **Nottingham Community Housing Association**

Phone: 0800 013 8555  
[www.ncha.org.uk](http://www.ncha.org.uk)

### **Places for People**

Phone: 01772 667 002  
[www.placesforpeople.co.uk](http://www.placesforpeople.co.uk)

### **Stonewater**

[www.stonewater.org](http://www.stonewater.org)

### **Tuntum**

Phone: 0115 916 6066  
[www.tuntum.co.uk](http://www.tuntum.co.uk)

