

# Benefits Matters

An update on benefits for people living and working in Lambeth



January 2011

Issue 10



## Introduction

Welcome to the 10<sup>th</sup> issue of Benefits Matters. This information bulletin is designed to keep you up to date with:

- The latest news in benefits including what's happening in Lambeth
- Information about national policy development
- Links to useful websites and other useful resources

You will find information on:

- Latest news on the service
- The Comprehensive Spending Review – impact on benefits
- Proposed changes to benefits
- The Family Support Project

## Service updates...



## Current Achievements

EPC has seen over **5578** clients, generating additional benefit income of nearly **£17million**, with average income gains for those helped of over **£3,000** per year for those who were missing out. Many of the people helped were not aware they were missing out!

Our service works in partnership with frontline services and local community services, to ensure people do not miss on the extra financial help they deserve, and that they are helped when they most need support. We are encouraging services working with:

- families with children or adults who experience ill health or disability
- carers
- people aged 60 and over

to refer service users to see whether they are missing out. Recent research has again highlighted that many of the above miss out on extra income.

If you are working with a service user who may benefit from having their benefits checked please contact us. Any service can refer. Clients can also self refer.

Referrals can be made by telephone by calling [020 7926 555](tel:0207926555), e-mailing [everypoundcounts@lambeth.gov.uk](mailto:everypoundcounts@lambeth.gov.uk), in writing, and via an online referral form,

available from our website [www.lambeth.gov.uk/everypoundcounts](http://www.lambeth.gov.uk/everypoundcounts).

Request for posters and leaflets for your service users can be requested free of charge by contacting us via any of the above channels.

## Jobseeker's Allowance



### Developing Our Service

Previously our service was limited to those claiming ill health or disability benefits for the first time or those seeking to correct/revise decisions already in payment. We can now provide advice to family members on any benefits including those who need to claim Job Seekers allowance (JSA).

For those people who need to renew their disability or sickness benefits claim it is important that they convey the full extent of their disability to ensure they do not lose their award. We are now able to offer them advice and assistance to ensure their award is correctly retained.



### Family Support Project

We have been working alongside Children's and Young Peoples Services to deliver a new project around supporting families who are experiencing economic hardship and have a reliance on benefits.

The project aims not just to provide welfare benefit advice but also training and supporting parents/carers experiencing economic hardship. We provide them with access to debt advice, financial planning services as well as other employment related services based on their individual needs.

Any family unit where there is care of a child can access this service. It could be a parent, a grandparent or a non-resident parent. They may only need a simple 'better off' calculation that informs them as to the impact on their benefits if they were to find work. Alternatively it could be assisting them to make additional benefit claims or review/challenge existing claims. A family could need financial or debt advice as they are struggling with bills and this could include rent arrears, council tax, utility bills, credit cards or loans. Or they may require help to find appropriate training/support to assist them in getting back into the workplace.

If you work with anyone who could gain from receiving advice and assistance in this way please refer them to every pound counts and we will discuss their needs fully with them.

You will find a referral form on the Lambeth website as follows:

<http://www.lambeth.gov.uk/Services/AdviceBenefits/Benefits/EveryPoundCountsFamilySupportProject.htm>



### Feedback from our Clients – Mori Poll

The feedback questionnaires from our service users showed that as a result of access to increased benefit income they experienced a wide range of benefits including:

- Increased ability to afford a more nutritious diet



- Increased access to subsidised transport
- Ability to heat homes more adequately
- Ability to afford increased social contact
- Reduced stress through advice intervention on financial issues

79% of responses said that they were very satisfied with the service and advice they received from EPC.

79% said they are better able to afford food, while 59% said they can now afford practical help at home and 37% could now spend money on paying for social care or support.

Some of the comments made by our clients were:

*“My children can have a better life. We can do more activities and have nicer clothes so they can’t be picked on. [We have a] better quality of life in general”*

*“To take care of my disabled son and pay for help with his studies which has helped greatly and improved his grades”*

*“I’m surviving much better than I was – nothing non-essential, all essentials really”*

*“When the pension comes in we have money for more food and can have something extra”*

*“[It] enables you to get a cab to the hospital where as I had to get transport before”*

*“Warmer winter clothing”*

*“It just comes to one thing...that I can afford help at home which I couldn’t do before”*

*“I am a lot more comfortable...[I can] actually live a bit better because you can pay the gas and electric better”*

## **Government announce reforms to the benefit system in the Comprehensive Spending Review**

### **Comprehensive Spending Review – benefit highlights**

**October’s Comprehensive Spending Review announced a £7 billion package of welfare reforms, designed to tackle “welfare dependency by delivering a simplified system in which work always pays”. This is in addition to the £11 billion savings previously announced in June’s Emergency Budget.**

The reforms will run alongside the new Work Programme which it is stated will provide personalised support for people facing the greatest barriers to employment. These changes will introduce significant changes affecting almost all benefit recipients.

#### **Changes include:**

#### **WELFARE BENEFITS CAP**

From 2013 a benefits cap will be introduced based on the average net earnings of a working household. The cap is expected to be £500 for non-working couples/households and £350 for single people.

All benefit payments will be included except one-off payments. But the cap will not apply to anyone receiving Disability Living Allowance, Working Tax Credit or War Widow’s Pension.

**IMPORTANT! - This cap represents a huge fundamental change to the way in which benefits are assessed and paid.** It will have a significant impact on those people and families who rely on benefits.

**What happens if a family's needs are more than their cap?**

→ It is proposed that any benefit above the cap will be deducted from their housing benefit to ensure their overall receipt of benefits does not exceed the cap.

Family Action's research report "[The cap doesn't fit](http://www.family-action.org.uk/uploads/documents/The%20cap%20doesn't%20fit.pdf)" suggests that the caps would particularly affect large families and those living in London. This analysis can be viewed at:

<http://www.family-action.org.uk/uploads/documents/The%20cap%20doesn't%20fit.pdf>

### **DLA Mobility to end for people in residential care**

Currently Disability Living Allowance claimants can keep the mobility component of their DLA if they enter residential care. However, these payments will end in October 2012. Claimants who fully fund their own care will be unaffected by the change.

### **Tax Credits**

- No increase in the basic and 30 hour elements of Working Tax Credit (WTC) for 3 years from April 2011.
- From April 2012 couples with children will have to work 24 hours (rather than 16 hours) to qualify for WTC. At least one will need to be working 16 hours.
- Reducing the proportion of help that parents can get towards childcare costs in WTC from 80% to 70%. Currently working families paying childcare costs for two or more children who qualify for maximum help can get £240 a week towards these costs – this will reduce to £210 a week from April 2011.
- Linking PAYE information about earnings to the tax credits system – reducing the need for customers to notify the Revenue about income changes.
- Increasing the child element of Child Tax Credit by £30 above the consumer price index increase in 2011-12 in addition to the £150 increase announced in June's Budget.

### **Housing costs**

From April 2012, extending the shared room rent to single people under age 35 living in private rented accommodation. Currently this applies to most single people under age 25 – they can only get help based on the cost of a single room in a shared house.

Extending the temporary measures which were introduced to help home owners to January 2012. So working age claimants can continue to get help towards their eligible mortgage costs after a waiting period of 13 weeks and help remains payable on properties with a capital value of up to £200,000.

Jobseeker's Allowance claimants who have been receiving help towards their mortgage costs for two years will no longer get help from January 2011.

### **Child Benefit**

Child Benefit will be withdrawn from households where one parent/guardian is a higher rate tax payer from January 2013. The current threshold for highest rate tax is £44,000 a year.

### **Time-limiting contributory Employment and Support Allowance (ESA)**

Contributory ESA (cESA) will be limited to a year for people in the Work Related Activity Group from April 2012. Currently there is no time limit – it can be paid until state pension age.

The government estimates that this will affect around 1 million people. Some claimants will be able to switch to income-related Employment and Support Allowance, but claimants with other income or capital or who have a partner with earnings or other income, will not be able to do this.

This change will affect both new and existing claimants. Benefits will stop immediately for claimants who have already been on cESA for a year by April 2012. Incapacity Benefit (IB) claimants who are transferred to cESA will also be affected and will have their benefit time-limited to one year from the point of conversion.

### **Council Tax Benefit (CTB) reduced**

The total budget for CTB will be reduced by 10% from 2013-14 and will be localised. Councils will be given flexibility to tailor the scheme to meet local priorities and manage spending within the lower limits, 'whilst protecting the most vulnerable'. No further details are currently available.

### **Pensioners**

- There will be no increase in the maximum Savings Credit award payable in Pension Credit for four years from 2011.
- Plans to equalise state pension age for women to 65 will be brought forward to November 2018. Pension age will then be increased to 66 for both men and women by April 2020. The additional rises in state pension age are also planned to occur sooner than previously announced.

## **Preview of other proposed changes**

# **Universal Credit**

On 11 November, the government outlined its plans to reform the welfare system in a White Paper, 'Universal Credit: Welfare that works'.

The white Paper states that it is planned to introduce a universal benefit, thus streamlining and simplifying the means-tested benefit system and ensuring that work always pays.

Universal Credit (UC) will replace means-tested benefits for working age people

(Income Support, income-based JSA, income-related ESA, Working Tax Credit, Child Tax Credit and Housing Benefit) from October 2013.

Highlights include:

- a single 65% taper at which benefit will be reduced to reflect earnings – the idea being that claimants will be able to keep 35% of net income increases;
- higher income disregards for certain groups, such as parents or people with a disability (single people are excluded) to encourage them to take part-time work;
- housing costs – an amount will be included to reflect eligible rent and mortgage costs.

## **DLA Reform: DWP Consultation**

### **Personal Independence Payment (PIP)**

#### **→ Disability Living Allowance for the 21st century?**

The Government has launched a consultation on a proposal to replace Disability Living Allowance (DLA) with a new benefit: the Personal Independence Payment (PIP) from 2013-14.

The deadline for responses is 14 February 2011. The new payment will keep the 'key principles of DLA and provide cash support to help overcome the barriers which prevent disabled people from participating fully in everyday life'. The consultation argues that DLA is no longer fit for purpose and that it is too expensive. PIP will continue to be a non-taxable, non means-tested benefit. Features include:

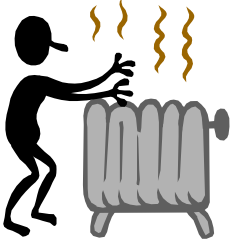
- a longer qualification period – this will now be 6 months;
- the two components will both have two rates:
  - the 'mobility' component will be based on the claimant's ability to get around
  - a 'daily living' component will be based on their ability to carry out key activities necessary to participate in everyday life;
- Entitlement will be based on an 'objective assessment' focusing on a claimant's ability to carry out a range of key activities necessary for everyday life;
- periodic reviews of all awards and penalties if a claimant knowingly fails to report a change that would have reduced entitlement.

The government plan to start reassessing existing working age DLA claimants in 2013/14 when PIP is introduced.

We will provide more information about PIP in future issues of Benefit Matters. Meanwhile, the consultation is available on the Department for Work and Pensions website. Just visit:

<http://www.dwp.gov.uk/consultations/2010/dla-reform.shtml>

# Fuel Poverty



## While we wrapped up warm for the snow, think of others...

Lambeth want to make sure residents can afford to keep warm. Claiming all benefits entitlements so that people can afford to heat their home is an important part of keeping warm and well.

To ensure your service users are getting the financial help they we encourage you to refer your service users to the Every Pound Counts Service. Ensuring they claim all the benefits they are entitled to enables them to access a range of energy efficiency grant schemes as well as boosting their income.

### **COLDBUSTERS SCHEME**

Coldbusters is a regional grant scheme for installing heating, heating controls, draught proofing and insulation measures for those who fulfill the eligibility criteria.

- **Who can apply?**

You will be eligible for the scheme if you are a private sector homeowner or a tenant who is in receipt of one of the following benefits:

- income support
- housing benefit
- council tax benefit
- guaranteed pension credit
- income-based job seeker's allowance
- working or child tax credit
- attendance allowance
- disability living allowance.

- **More information and to apply**

**Website:** Creative Environmental Networks website

**Contact:** the Energy Saving Trust

**Tel:** 0800 512 012

### **WARM FRONT**

#### **Warm Front is currently closed for new applications**

Due to high demand, Warm Front has **closed for applications** at least until **April 2011**.

Warm Front is a government-funded scheme that provides grants for heating, heating controls, draught proofing and insulation measures for those who fulfill the eligibility criteria. This scheme covers the same measures as Coldbusters but there are differences in who can apply for it.

We will update you about new applications in our next newsletter in April 2011.

### **ENERGY SAVING TRUST**

Anyone wanting energy efficiency advice can access information about the latest



schemes at Energy Saving Trust:

<http://www.energysavingtrust.org.uk/Easy-ways-to-stop-wasting-energy/Energy-saving-grants-and-offers>

Tel: 0800 012 512

## LAMBETH WARMER HOMES LEAFLETS

Staff can also access the Lambeth Warmer homes leaflets from every pound counts web page which gives information on local services for Lambeth residents.

<http://www.lambeth.gov.uk/Services/AdviceBenefits/Benefits/EPCLeaflets.htm>

## Useful Websites

Family Action:

- <http://www.family-action.org.uk/uploads/documents/The%20cap%20doesn't%20fit.pdf>

DWP: "Universal Credit: welfare that works"

- <http://www.dwp.gov.uk/docs/universal-credit-full-document.pdf>

Energy Saving Trust

- <http://www.energysavingtrust.org.uk/Easy-ways-to-stop-wasting-energy/Energy-saving-grants-and-offers>



In each edition we highlight a person who has helped us improve the quality of life of one of their service users by ensuring they do not miss out. This month's benefits hero is Amelia Scanlan.

Amelia is a social worker working in the disabilities and older persons team. Amelia's team provide community care assessments and services for disabled and older people, and their carers. Amelia contacted our team as she was concerned about Mr A who had cancelled all his home care services because he said he could no longer afford to pay for them. Mr A had a number of health issues including the amputation of one leg. Amelia asked that he be given a benefit check.

## Benefits Hero!

**Do you know someone who needs advice and assistance? Refer them to Every Pound Counts and you might change their lives. You might also become a service hero!**

We established that Mr A had been seen by our service back in 2007/2008 at which time he secured an award of Disability Living Allowance high rate care and high rate mobility. This meant he also received an increase in his Income Support.

On visiting Mr A the adviser was able to ascertain that toward the end of 2009 he received a DLA renewal form which he had completed on his own. Based on the responses provided on that renewal form Mr A saw his whole DLA award withdrawn. As a result of the withdrawal of DLA he also saw his income support

decrease because he was no longer considered to be severely disabled. In total he lost of £190.60 per week income based on 2010 benefit rates. This was why he no longer felt able to afford his home care services.

The adviser immediately completed a new DLA claim with Mr A and submitted it on his behalf. At the same time a late appeal was made against the decision in 2009 to withdraw his DLA award. A decision on Mr A's new claim was received very quickly and he was awarded high rate care and high rate mobility. The adviser was then able to get his income support reinstated. Mr A saw his total weekly income increase by £190.60.

His appeal was then decided and his award of DLA was reinstated back 34 weeks to October 2009. He received a backdated payment of just over £4,500. The adviser was also able to support him make a claim for pension credit as he had now passed the age of 60. This gave him a further weekly income increase of £25. The adviser is still waiting for confirmation that his income support has also been backdated to October 2009 which will provide him with a further backdated amount of money.

**What do you want to read?**

**Share your views Looking for....innovation, information, inspiration**

What would you like to see covered in future issues of ACS Update and on our intranet pages? Please send your news, views, comments, and ideas to us.

Email: [jcharris@lambeth.gov.uk](mailto:jcharris@lambeth.gov.uk)

Let us know what you want to see in future issues of Every Pound Counts.

We hope you found this issue of Benefits Matters interesting and informative. Please send all feedback and contributions to Julia Harris: [jcharris@lambeth.gov.uk](mailto:jcharris@lambeth.gov.uk)