

9 Welfare reforms



This section is provided as a guide to the changes to benefits introduced as part of the Government's Welfare Reform Act 2012. Within this section you will find information about:

- Under-occupation
- The benefit cap
- Universal Credit
- Working Tax Credits
- Local Welfare Assistance
- For information

Under occupation (bedroom tax)

This was introduced in April 2013.

If you live in council accommodation, or other social housing, and are assessed as having more bedrooms than you need, your housing benefit could be reduced.

You are classed as under occupying your home if you have more bedrooms than necessary. The change means that a separate bedroom is allowed for:

- Each couple or single adult aged 16 or over
- Any two children of the same or opposite sex under age 10
- Any two children/young people of the same sex under age 16

- Another child or foster child
- An overnight carer (subject to evidence that one is required).

Recent changes mean:

- You may be able to keep a bedroom for an adult son or daughter who is away at university or in the armed forces
- A child with severe disabilities may be allowed a separate room if there is medical evidence they cannot share a bedroom.

If you are classed as under-occupying the amount of housing benefit you receive will be reduced. There are two rates for the reduction:

1. If you have one extra bedroom your housing benefit will reduce by 14% of your full weekly rent
2. If you have two or more extra bedrooms your housing benefit will reduce by 25% of your full weekly rent.

The bedroom tax does not affect people of state pension age.

For more information visit the government websites - www.gov.uk or www.dwp.gov.uk or phone Dudley Council Plus on **0300 555 2345**.

The benefit cap

The cap places a limit on the total amount of benefit which working age people can get. This is called a benefit cap. You will not be affected if you or your partner have reached State Pension Credit age.

The cap applies to the combined total of the main 'out of work' benefits which include:

- Jobseeker's Allowance
- Income Support
- Employment and Support Allowance
- Housing Benefit
- Child Benefit
- Child Tax Credit
- Industrial Injuries Disablement Benefit
- Carer's Allowance
- Council Tax Reduction (Council Tax benefit is not included).

The cap is:

- £350 per week for single adults with no children
- £500 per week for couples (with or without children) and lone parents

If your total income comes to more than the maximum amount allowed, your housing benefit will be reduced.

You will not be affected by the benefit cap if you qualify for Working Tax Credit, or if you get any of the following benefits:

- Disability Living Allowance
- Personal Independence Payment
- Attendance Allowance
- Industrial Injuries Benefits (and equivalent payments as part of a war disablement pension or the Armed Forces Compensation Scheme)
- Employment and Support Allowance, if you get the support component
- War Widow's or War Widower's Pension.

Universal Credit

Universal Credit commenced in Dudley in March 2015.

Universal Credit brings together a number of benefits into one payment.

The various reasons for getting each individual benefit will still apply. It is intended that the amount of Universal Credit will reduce in line with the amount of money you earn.

Existing benefits that will be included in Universal Credit are:

- Income Support
- Income Related Jobseeker's Allowance
- Income Related Employment Support Allowance
- Housing Benefit
- Working Tax Credit
- Child Tax Credit.

Universal Credit will be paid monthly in arrears directly into your bank account.

It is important that if you do not have a bank account you should apply for one soon. Most banks offer basic accounts.

If you do not want to open a 'traditional' bank account, why not consider the Castle & Crystal Credit Union? The credit union is a financial co-operative owned by its members and run for the benefit of its members. They allow people within the local community to save and borrow money and keep the money circulating in Dudley. Credit unions are owned and controlled by their members, so they have no outside shareholders to pay. Any profit that Castle and Crystal make is used to develop the business and provide a return to their savers. To find out more telephone **01384 815771** or visit their website on **www.castleandcrystal.co.uk** .

You will also be expected to access and manage Universal Credit online, a bit like online banking. Computers for use by the public are available in borough libraries.

If you feel you need training, Dudley Council's adult and community learning offers basic computer courses. Telephone **01384 818143** to find out more, or visit their website at **www.dudley.gov.uk/resident/learning-school/learning-for-adults-and-families** .

Housing benefit will be included as part of the Universal Credit payment therefore you will be responsible for paying your rent out of the benefit you receive every month.

Working Tax Credits

You may be eligible for additional help in the form of Working Tax Credits if your income stream is below a certain level. This is the case if you are aged 16 to 24 and have a child or a qualifying disability, or you are 25+ (with or without children).

You must work a certain number of hours per week, get paid for the work you do (or expect to do) and have an income below a certain threshold.

The basic amount of Working Tax Credit is up to £1,960 a year (depending upon circumstances). To find out more about Working Tax Credits and to calculate how much you could be entitled to go to **www.gov.uk/working-tax-credit** .

Your local Citizens Advice Bureau will also be able to offer you help and assistance.

Local Welfare Assistance

Dudley Council's Local Welfare Assistance (LWA) scheme replaced the discretionary elements of the Department of Work and Pensions' Social Fund Crisis Loan or Community Care Grant.

You can now apply to the council for a Local Welfare Assistance award.

There are two types of awards:

- Crisis awards - these are to meet an urgent need which poses an immediate and substantial risk to health and safety. This award can help provide access to essential items i.e. food, energy supply (electricity or gas), clothing and, in some

circumstances, white goods and furniture.

- Community care awards - these awards are to help people remain in the community or move back into the community. This award can help provide access to a wide range of basic household items.

Further information can be obtained from our website

www.dudley.gov.uk/resident/your-council/benefits/local-welfare-assistance-scheme/

Help and advice

If you need independent advice the Citizens Advice Bureau (CAB) may be able to help you. Your local CAB can go through your circumstances and advise you on what to do next. They have offices located throughout the Dudley borough. You can access their website at www.adviceguide.org.uk or call **01384 816222**.

Your income management officer, or the housing support team, can also make a referral to CAB on your behalf. To contact the income management team please telephone **0300 555 2345**.

For information

Dudley Council's website

www.dudley.gov.uk includes a wealth of information about all council services and events taking place in the borough.

If you require any assistance with regards to the tenants' handbook or would like to request an interpreter, large print version, or audio tape, please contact Dudley Council Plus on **0300 555 2345**.

The photos used in this publication are for illustrative purposes only. All information included in this handbook was correct at the time of printing.

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Approved  by tenants