

# NAWRA Welfare Reform / Benefits Changes Chart: Part 1 - Earlier Changes (Jan 2011 to April 2015)

(for changes from April 2015, please scroll down to **Part 2: Recent and Forthcoming Changes**)

NB – Timings for Welfare Reform Act changes in N. Ireland are still to be developed as the NI Act was only passed in Nov 2015. Other benefit changes apply from same dates as rest of UK

Date	Benefit	Change	Impact	Analysis
Jan 2011	<b>Old “sickness route” benefits</b>	<ul style="list-style-type: none"> <li>No new linked claims for Incapacity Benefit, SDA or Income Support (for sickness) from 31/01/11.</li> <li>Claimants no longer return to old rate but claim basic ESA and face Work Capability Assessment</li> <li>IB/SDA claimants can still claim Income Support (and vice versa) if become eligible.</li> </ul>	<p>Targets those who have tried to move from “welfare to work”. Goes back on “trial period” promise (e.g. to WTC claimants etc. that could return to previous rate of benefit if job did not work out.)</p> <p>A significant cut in benefits and less certainty of being able to continue on benefit given harder ESA tests.</p>	Affects precisely people who have done what Governments want them to do. It undermines future confidence and will make people more fearful of attempting work. At odds with normal precedent of not making retrospective changes and aim of encouraging “welfare to work”
March 2011 to April 2014	<b>Employment and Support Allowance</b>	<p>Migration of existing claimants (of Incapacity Benefit, Severe Disablement Allowance and Income Support through sickness) begins. To be completed by April 2014, with individual Work Capability Assessments to determine if can transfer to ESA:</p> <p>If “YES” switch to ESA at transitionally protected rate - but may <i>still</i> lose ESA after April 2012 (see below)</p> <p>If “NO” can appeal and get assessment phase ESA pending, sign on for Income based JSA or lose benefit.</p> <p><b>CUT of up to £2,500 million pa (30%) by 2014</b></p> <p><i>Not completed by April 2014 amidst assessment delays reaching 18 months. Atos pulling out early from contract</i></p>	<ul style="list-style-type: none"> <li>Affects around 1.5 million people across UK with a disproportionate effect in deprived areas with a high incidence of long term limiting illness.</li> <li>Pilots show a 30% “failure rate” (as opposed to 15% told by DWP to Parliament). Actual outcomes vary around 34%</li> <li>Some groups previously exempt (e.g. severe mental health/ learning disabilities or on DLA Higher Care) face test for the first time. Additional support needs (e.g. CMHTs, CSTs).</li> <li>Likely increase in demand for advice and help with appeals</li> <li>Of those disallowed 50% may get JSA, 50% lose benefit</li> <li>Those that pass on to Contributory ESA may be hit by time limit</li> </ul>	<p>Originally ESA was only for <b>new</b> claimants (to avoid memories of previous migration from Invalidity Benefit). ESA was meant to be an enabling benefit (albeit with some compulsion) to support people into work at a time of high employment</p> <p>The former Personal Capability Assessment system was already the toughest in the developed world. The replacement Work Capability Assessment Test is even tougher</p> <p>Refusal rates for have been far higher than Parliament were led to believe in impact assessments (68% rather than 50% for new claims and 34% rather than 15% for migration cases. Job Centre staff reporting a significant gap between those “failing” the ESA test and having realistic employability.</p>
April 2011	<b>ALL working age benefits</b>	<p>Increases will be set by the <i>Consumer Price Index</i> (which produces <b>consistently lower increases</b>) instead of the <i>Retail Price Index</i> or the <i>Rossi</i> index.</p> <p><b>CUT of £5,840 MILLION pa by 2014/15</b></p>	Those receiving any benefit will see its value decrease over time, lessening their ability to pay for essentials. Will be the biggest cut of all by 2015	Together with the VAT increase in January '11 from 15% to 20% and higher inflation in basic essentials, could make everyday life difficult to manage for those with benefits income.
	<b>Child Benefit</b>	<b>Frozen</b> for three years <b>CUT of £985 million pa</b>	As prices rise and benefit doesn't, families afford less.	A cut affecting ALL families and children, with the greatest impact proportionately on the poorest.
	<b>Maternity Grant</b>	<b>Restricted</b> to the first child only	Babies in neighbourhoods with complex financial and social problems now denied £500.	Help withdrawn from families with more than one child –will impact in areas where there is already high disadvantage, and increases risk of poverty.
	<b>BOTH Tax Credits</b>	<p><b>Taper</b> on income for tax credits moves from 39% to 41% <b>CUT of £765 million pa by 2014/15</b></p> <p><b>Fall from £25,000 to £10,000</b> in “disregarded increases in income during the current tax year”</p> <p><b>A cut of £140 million rising to £450 million</b></p>	<p>Increases “marginal tax rate” by 2%</p> <p>Likely return of destabilising effect of overpayment recovery experienced in early years of tax credits. Moving into work paying over £10K may lead to overpayment problems.</p>	<p>Will impact on all those in low paid employment and will impact on working families in particular</p> <p>Administrative complexity and cost for HMRC and less predictability and increased fear of recovery may be a disincentive to move from benefits into work or take up in work benefits.</p>
	<b>Working Tax Credit</b>	<p><b>Basic &amp; 30 hour elements</b> in WTC frozen for 3 years. <b>CUT of £625 million by 2014/15</b></p> <p><b>New category for workers aged 60+</b> who can claim WTC if working over 16 hours at 60+, regardless of whether a disabled worker or have children.</p>	<p>The amount of tax credits to working families <b>reduces</b> in real terms.</p> <p>Helps older workers to explore reduced hours option. Previously if no dependent children or not a disabled worker, then would have needed to work 30 hours to get WTC</p>	<p>This and other changes below are all cuts affecting working families and does not fit well with the stated aim: of “making work pay”</p> <p>Another option at 60+ to support carrying on in work, but may overlap with £ for £ reduction in Pension Credit if low earnings</p>

Date	Benefit	Change	Impact	Analysis
April 2011	<b>Working Tax Credit (ctd.)</b>	<b>Childcare element</b> of WTC reduced from 80% to 70% of actual childcare costs up to a capped maximum. <b>CUT of £385 million pa by 2014/15</b>	Those who qualify for help with their childcare costs will receive significantly less. Those with higher childcare costs will be worst hit. Change reversed under UC see below (but with lower limits)	Childcare is frequently cited as a major barrier to work, effectively <b>reducing</b> working parents' take-home pay. This cut will increase childcare costs for low-paid parents.
	<b>Child Tax Credit</b>	<b>Income threshold</b> for <i>family element</i> of CTC reduce from £50,000 pa to £40,000 a year. Taper above threshold increased sharply from 6.66% to individual element taper of 41%. <b>CUT of £175 million</b>	"Better off families" lose £42 a month. Family Element now fully extinguished at £41,230 instead of £58,000 (or £66,000 when Baby Addition applied)	Some nominally "better off" families will feel the cut, especially if they have high housing or other living costs.
		<b>Baby element</b> in CTC scrapped. <b>CUT of £275 million by 2014/15</b>	Families with a child under 1 lose up to £10.50 pw	A cut affecting children already in poverty the hardest.
	<b>Housing Benefit</b>	Local Housing Allowance maximum caps for 1 bed (£250), 2 bed (£290), 3 bed (£340) and 4 bed (£400) Separate rate for 5 bedrooms (at any amount) scrapped. <b>CUT of £55 million pa</b>	Reducing the amount going to low-income households to help pay their rent, especially those who need a larger home.	Caps will <i>mainly</i> affect London and the SE, as elsewhere LHAs may be below new caps. Scrapping the 5-bedroom rate will affect larger families <b>everywhere</b> .
		<b>Non-dependant deductions</b> - large increases over next 3 years to make up ground since last increase 10 years ago. <b>CUT of £340 million pa</b>	Affects tenants with non-dependant adults (e.g. parents, grown up children) living in house). Non-dependants may not always be willing - or be asked - to make up the shortfall. Will be eased under UC	A major cause of rent arrears, family disputes and potential homelessness. Goes against policy aims of maximising use of housing stock and supporting families
		<b>Local Housing Allowance</b> Rates will be set at the 30 <sup>th</sup> percentile of local private rent prices, not the 50 <sup>th</sup> . <b>Cut of £425 million</b>	Only 1/3 (instead of 1/2) of available private rented housing locally will be affordable to HB claimants. HB claimants will find it more difficult to find affordable properties to rent in the private sector	A big cut which <b>increase of £40 million pa</b> in Discretionary Housing Payments will do little to offset.
		Additional room in LHA if need for a carer to come in. Additional bedroom for a disabled child <b>INCREASE of £15 million pa</b>	A gain that supports caring, but still ignores needs within a family (e.g. partners needing separate rooms because of disability). The additional bedroom for the disabled child is currently being challenged by the DWP	Long needed improvement, but does not address extra space needs within a family from disability. Does not address issue of spare room to enable "shared care" of children living elsewhere
	<b>State Pension Age</b>	<ul style="list-style-type: none"> <li>Accelerate speed of equalisation of pension age—with equal pension age to be achieved by November 2018.</li> <li>Further changes thereafter (see below)</li> </ul>	<p>Raises minimum age for claiming both State Pension (for women) and Pension Credit. Similar increases in qualifying age for Attendance Allowance</p> <p>Some pensions will gain more from new single tier Retirement Pension but others will have to wait longer for less.</p>	<p>Current age said to be "financially unsustainable", as smaller working age population has to fund growing RP.</p> <p>People can already choose to work on, but a higher pension age hits those in physical jobs and those affected by tougher tests for ESA. Increased competition for young workers in recession.</p>
	<b>State Retirement Pension</b>	<p>2007 legislation provided for basic State Retirement Pension to be increased at least in line with average earnings. Coalition Government made a commitment to increases for basic SRP in line with 'triple lock'.</p> <p>From 2012 onwards this is highest of: Consumer Price Index, average earnings or 2.5%. Other parts of SRP e.g. additional pension remain linked to price increases. <b>Increase of £450 million pa by 2014/5</b></p>	<p>Restores link with earnings and offers a "triple guarantee" for basic pensions. Will make a significant difference over time to pension levels especially when earnings grow. In short term, some losses from switch to CPI from Retail Price Index.</p> <p>Commitment to universalism in tackling pensioner poverty also seen for this Parliament in retention of other universal benefits Cold Weather Payments, TV licenses at 75+, bus passes, health benefits etc.</p>	<p>Welcome restoration of previous permanent commitment abolished in 1979 - and implemented in some years from 1997 to 2010). Link allows pensioners to keep up with general increase in living standards, reducing tendency to growing inequality and marginalisation.</p> <p>A pension only linked to prices since 1948 would be c £45 pw. This long term strengthening of non-means tested "pension age" social security contrasts markedly with the drive to conditionality, sanctions, lesser eligibility and means testing in "working age" welfare.</p>
	<b>Pension Credit</b>	Guarantee Credit is linked to earnings only in legislation. Due to low rises in earnings the Government has increased GC to match the cash rises in basic State Retirement Pension. Cost offset by reduction Savings Credit. <b>Increase of £535 million pa by 2014/15.</b>	<p>The increase by the cash amount of State Retirement Pension has provided some protection in times of low earnings rises, though still real cuts.</p> <p>Over time the earnings link would be expected to provide real increases improving the income of the poorest 20% or so of pensioners on Guarantee Credit</p>	<p>May - in the long term – to some extent offset cuts to Savings Credit that could affect 50% of pensioners (see below).</p> <p>PC has only a 65 to 70% take up so need remains to encourage take-up and maximise entitlement linked to AA, especially ahead of changes ahead for e.g. mixed age couples.</p>
Savings Credit maximum amount frozen for next 3 years. <b>Cut of £330 million pa by 2013/14</b>		Affects those on minimal incomes—or levels just above it - who get a bonus for saving for retirement	May offset effect of other increases. Counter to general policy aim of encouraging people to make provision	
Sep 2011	<b>Educational Maintenance Allowance</b>	Abolished in England. A loss of up to £30 a week for young people on low incomes staying on at school or college. About 10% as discretionary funding	Will impact particularly on 16 to 19 year olds from low income families, who lose up to £30 a week (and bonuses for attendance, attainment). Some may give up, others do less well.	Colleges value the extra resource for books/travel and incentives. Likely to increase NEETs and attainment gap between richer and poorer areas and reduce social mobility.

Date	Benefit	Change	Impact	Analysis
Jan 2012	Housing Benefit	<b>LHA Single room rent</b> restriction for single people (not lone parents) under 25 extended to people aged <b>under 35</b> . <b>Cut of £215 million pa by 2014/15</b>	Further extends restriction for people in private sector tenancies, increasing marginalisation and ghettoization. Exempt groups remain.	Rationale for lower rates “reflecting a different labour market reality”, but unlikely in mid 30s. Will affect parents with “shared care” of children who may not have suitable accommodation for children to stay over.
April 2012	Working Tax Credit	<b>Couples</b> with children must work at least 24 hours combined (rather than 16) to qualify; with one working at least 16 hours. <b>CUT of £390 million pa</b> <b>50 plus element</b> scrapped. <b>CUT of £50 million</b>	Families on low earnings on low hours lose WTC. Those aged 50+ moving from unemployment into low-paid work now denied have to meet the basic rules for WTC, as to other claimants.	Impacts on working families where unable to find or work additional hours (e.g. because juggling caring responsibilities). Opens a gap for many between 16 and 24 hours where no top up income is available and may have to give up work. Loss of incentive for over 50's to undertake part time work for the first 12 months
	Child Tax Credit	<b>Family Element income threshold</b> abolished, so will start to taper off straight after CTC individual elements. <b>CUT of £480 million pa by 2014/15</b> ; <b>Estimated that it will cost £2.3million to apply the means test.</b>	Family element (worth £10.50 pw) will cease being paid at much lower incomes than before affecting many on average earnings	This element replaced the tax allowance for families prior to tax credit. Would this have even been considered had this remained as an income tax allowance?
	ALL Tax Credits	<b>New rule of disregarding an income drop</b> of £2,500. <b>CUT of £585 million by 2014/15</b>	Tax credits will not increase to help you if your income drops unless the drop is <i>more</i> than £2,500.	Doesn't assist in an environment where reduced working hours is a better option than redundancy as claimants may find themselves worse off in employment. Housing Benefit and Council Tax Benefit will still be adjusted for income drops & should be notified.
		<b>Time limit</b> for notifying changes of circumstances cut from 3 months to 1 month. <b>CUT of £330 million pa</b>	People will have less time to inform HMRC about changes affecting their tax credits.	Saving assumes a significant loss for people who miss deadline A particular problem for new parent(s), who may be under pressure adapting after a new baby, especially if any other difficulties.
	Contributory ESA	<b>Limited</b> to 1 year for people in the “work-related activity” group. Support group not affected. <b>CUT of £2,010 million by 2014/15</b>	Loss of basic benefits income for those with savings or working partners. Applied retrospectively, so some will lose ESA straight away. Doubles cuts from migration and WCA.	Goes back on NI covenant and principle of collective mutual social security. Pressure to take out less cost effective private insurance. May still be worth hanging on to “credits only” claim in case of future Support Component or permitted earnings.
	ESA in Youth	<b>Abolished from April 2012</b> . Claimants switch to Income related ESA or come off benefit	Ends non-means tested ESA for under 20s. Targets people with severe or long term illnesses or disabilities	Particular affects people with learning disabilities. Not all claimants will be able to get Income-related ESA instead, (e.g. if a working partner, compensation payment or capital provision made by parents).
	Pension Credit	<b>Savings credit reduced and frozen for four years</b> to £18.54 (single) and £27.73 (couple). Also threshold for qualifying increased by 8.4% Saving <b>£330 million a year by 2014/15</b>	Fewer pensioners will qualify for the savings credit and those that do will receive less	Reduces the reward for ‘moderate provision’ – will affect pensioners with small amount of savings/occupational pensions
	Housing Benefit	<b>Local Housing Allowance</b> rates frozen ready for increasing with CPI if lower in April 2013	Less variation from month to month – harder to find properties within LHA if rents increase substantially	Main effect will be felt over time if CPI consistently lower than 30% percentile
May 2012	Income Support ( <i>lone parents</i> )	New claims for IS (lone parents) only if a child <b>under age of 5</b> (was reduced to 7 in October 2010). If not, then “sign on” for JSA. Existing claimants with no child under 5 will have the benefit removed in phases.	Over 100,000 lone parents switched from Income Support onto JSA since 25/10/10. Nominally same benefit rate, but must “actively seek” and be “available for work” or face JSA sanctions.	Lone parents want to work <i>where jobs and support exist</i> , when it is right for their children etc. Compulsion via JSA may just distract from action on barriers to work and risks increased child poverty. 21% of children of single parent who work full time are in income poverty.

Date	Benefit	Change	Impact	Analysis
Oct 2012	All DWP Benefits	Civil Penalties will be introduced for claimant error in claims for Benefit	Local Authorities and the DWP will have this permissive power to enforce a civil penalty of £50 to claims which contained an error made by the claimant. This is part of the Governments strategy on 'tackling fraud and error in the benefit and tax credit system'.	Local Authorities do not have to implement this charge and if they do, it will only increase rent arrears; it may have the opposite effect of claimants being too frightened to rectify mistakes when identified, leading to increased overpayments and potentially higher incidences of fraud.
	Jobseeker's Allowance (sanction changes)	From the 22 <sup>nd</sup> October there will be a three tier fixed penalty sanction ranging from 4 weeks to 3 years, where the claimant will lose payment of all their benefit <ul style="list-style-type: none"> <li>Higher level sanctions (e.g. leaving a job voluntarily, or through misconduct, or failing to take up a job or mandatory work activity) - 13, 26 and 152 weeks (for 1st, 2nd and 3rd offense) within 52 weeks</li> <li>Intermediate level sanctions for 'not actively seeking or being available for work; 4 weeks /13 weeks</li> <li>Lower level sanctions (e.g. failing to attend an adviser interview) - 4 weeks / 13 weeks</li> </ul>	No evidence for effectiveness of sanctions.; the policy is more based on gut instinct rather than their impact on jobseeking. Indeed, jobseekers may be totally incapacitated or pre-occupied with survival to effectively jobseek. 50% of food bank applications are due to sanctions.  Evidence suggest sanctions being issued as a first resort rather than a last with some claimants being set up to fail to achieve office targets. Complete confusion as to why a sanction is imposed which will impact on effectiveness as well as denies any justice. Claimants may take them on the chin rather than query not realizing they now risk a much longer sanction if they are hit again  DWP cancel 50% of decisions when challenged, much higher than their usual 15%	Impact greater on those who are more vulnerable and have chaotic lives Will increase demand for services, especially food banks Claimants may revert to payday lenders and illegal money lenders in order to access money Impact on health and wellbeing of claimant Claimants may be dependent on hardship payments which Jobcentre do not always advise of and can be difficult to claim.
	In-work Credits & Job Grant	Abolished for those moving from out of work benefits to in work benefits	The Job grant of £100 for a single person and £250 for those with children assisted with additional expenses of going to work (e.g. clothing and travel); The £40/£60 weekly in work credit and return to work credit really boosted the income of those returning to work with a disability and lone parents.	These benefits were abolished in preparation for the introduction of Universal Credit – however the claimants that will be affected by this change in October will continue to claim the same benefit after the introduction of Universal Credit and there is no real justification for this cut.
Dec 2012	Employment and Support Allowance (sanctions changes)	From the 3 <sup>rd</sup> December there will be a three tier sanction for those in the work related activity group who fail to undertake work preparation and work focused interviews, where the claimant will lose payment of all their benefit	The sanction will be open ended until the claimant re-engages followed by a 1, 2 or 4-week benefit sanction. The weekly amount of the sanction also increases from the work-related activity component to the standard allowance (£28.15 to £71.00)  Claimants can be referred into the Work Programme within 12 months of being expected to be fit for work. There are currently a pilot mandating claimants into the work programme where they are likely to be fit for work within 2 years	This will impact on those who are more chaotic and vulnerable and are claiming a benefit because they have been assessed as unfit to work and yet will be required to undertake work related activities (including unpaid work).  Even when the claimant re-engages (which it can be difficult to establish) they will not receive benefit for a set period of time, depending on whether they have been sanctioned previously and when.  Cut undermines the logic of ESA Work Related Activity. Government denies a formal policy of more sanctions, despite mounting evidence of management pressure on Advisers to increase referrals for sanctions.
Jan 2013	Child Benefit	<b>Affluence test for CB: Tapered withdrawal of Child Benefit (via income tax) where an earner over £50,000, stops completely at £60,000. CUT of £2,485 million by 2014/15</b>	All families paid child benefit but clawed back via income tax on higher earner. Means some 500,000 new self-assessment tax returns. Reduces but does not remove one v. two income anomaly in original proposals	Undermines value placed on all children; CB redistributes from those without children to those with and main earner to main carer. Undermines support for collective social security. Cost of administering reduces any savings.
	Employment and Support Allowance (WCA changes)	<ul style="list-style-type: none"> <li>Tightening up of some of the descriptors to make them more restrictive,</li> <li>Definitions of hospital stay extended to be more than 24 hours (reg 25)</li> <li>Substantial risk (reg 29) amended to exclude risks which could be significantly reduced by work place adaptations or taking medication.</li> <li>All types of chemo and radiotherapy now give 'limited capability for work related activity'</li> </ul>	<ul style="list-style-type: none"> <li>Makes it even harder to score points on some of the amended descriptors leading to more claims being rejected</li> <li>Harder to be 'treated as' having limited capability for work</li> <li>With the one positive exception of cancer patients.</li> </ul>	Some of the changes specifically brought in to nullify the effect of caselaw that had gone in favour of the claimant

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April 2013	April Uprating	<ul style="list-style-type: none"> <li>General increase of 2.2% CPI not 2.6% RPI</li> <li>Many benefits restricted to 1% for next 3 years</li> <li>PC Savings Credit – cuts in max SC and increased thresholds</li> </ul>	Real cuts of 4% over next 3 years for many, an extra 200,000 children in poverty. DWP claims e.g. carers, disabled and ESA Support Component will be protected – but basic allowances still hit – e.g. a carer or someone on ESA SC overall increase may be 1.4%. SC cut further penalises pensioners with small savings/pension provision.	Government says: Why should people on benefits do better than average earnings (strivers v. shirkers)? But over 60% affected are in work and little evidence of “shirking” in remaining 40%, while little room for belt tightening. But, if a case is being made for linking uprating to average earnings permanently, claimants would then share in longer term growth.
	Tax Credits	Increased income disregard falls to £5,000 (previously £25,000, reduced to £10,000 in 2011)	Extends April 2011 cut. Means greater likelihood of overpayments similar to when tax credits were first introduced	Further exacerbates cost, complexity and disincentives.
	Council Tax Benefit	Handover of responsibility for CTB schemes to Local Authorities in England and devolved governments in Scotland and Wales with a 10% reduction in budget Not applicable in N. Ireland as no poll tax or son of poll tax applied. Rent Rebate unaffected <b>Cut of £490 million by 2014/15</b>	A cut in help with Council Tax for all those on low income, with potential confusion and postcode lotteries in England. Initially, many English councils will have to stay with the “default scheme” (i.e. as CTB) and find the 13% shortfall. In time, local schemes will develop within budget so working age claimants face cuts, minimum contribution (e.g. 10 to 20%), restrictions to band A, higher tapers, no backdating and other variations. Default scheme will run across Scotland and Wales for 2013/5 with devolved Governments funding the shortfall.	Working age claimants face reduced support and higher council tax bills just as other welfare reform cuts start to bite. Schemes will come under pressure if above inflation council tax rise or a large local redundancy Increased confusion and complexity, with variation in systems and processes. Implications for collection for the Local Authority. Likely increase in arrears – court costs etc. Sept 2014 – NPI research shows Biggest increase in council tax arrears in areas with biggest CTS cuts.
	Housing Benefit	The “bedroom tax”. HB restricted to the number of rooms “needed” in social housing (already happens in private rented housing). Will not apply in N. Ireland. All people affected in Scotland can receive a DHP, pending abolition. <b>CUT of £490 million pa by 2014/15</b>	Applies to “working age” families. If in a larger home than deemed to “need”, the eligible rent for benefit calculation will reduce causing a shortfall in rent. 14% for one extra bedroom and 25% for two or more. No account taken of bedrooms for: shared care with another parent, a child who may be returning from local authority care, or need for extra bedroom because of disability needs. Case law arguments on room size, disabled child (allowed in certain cases under Burnip) and adult disability (failed). Last minute concessions allowed for 1 bedroom only for foster children and if a non-dependant is in HM Forces on active service. Families forced to move or find shortfall. Some 40,000 will come off HB.	Pressure on families affected and rise in rent arrears; potential impact on school rolls and GP lists with claimants moving in/out of area. A young person moving out could leave remaining family falling into debt or having to move for financial reasons. Disruption of local authority care arrangements if foster carers need more than 1 room or families not able to afford to keep room available for planned return. No account for extra rooms adapted to needs of disabilities Moving may not be easy – few smaller properties within social housing. This is not a policy for better use of social housing stock, nor is there need to control taking on too large properties as allocation is controlled by RSLs
		Local Housing Allowance up-rated in line with the <i>consumer price index</i> not average market rents. <b>Cut of £290 million by 2014/15</b>	Housing Benefit will no longer be based on actual rent costs.	Shortfalls in rent will have to be found out of other income. Debt and evictions are likely to increase.
	Social Fund	<ul style="list-style-type: none"> <li>Crisis Loans (waiting for benefits claim to be processed) to be replaced by ‘short-term advances’ of benefit</li> <li>Budgeting Loans to be replaced by budgeting advances under Universal Credit, but remain as now for those on legacy means-tested benefits;</li> <li>All other Crisis Loans and Community Care Grants to be abolished and budget (as at 2010) passed to Local Authorities in England and the devolved governments in Wales, Scotland and in time N. Ireland</li> </ul>	Reliant on ‘payments on account’ system operating effectively which it has not done previously. Replacement of short-term benefit advances has been chaotic with claimants wrongly referred to the local fund. Local Authorities likely to see an increase in people presenting themselves in need – increase demand for soup kitchens, food banks and furniture re-use projects. Cut in budget will result in less people accessing assistance when they need it. Overall loans allocation budget cut from £561 million to £461 million. Not a saving as simply a cap on level of recycling of funds as loans repaid, but will reduce availability/size of loans.	Funding to Local Authorities in England is not ring-fenced and there is no statutory requirement for SF alternative, so likely to be postcode lottery situations arising. No independent review process – IRS disbanded. In <b>Scotland</b> , the <i>Scottish Welfare Fund</i> will be a national scheme run through local authorities. In <b>Wales</b> , the <i>Discretionary Assistance Fund</i> will be run by Northgate in partnership with Wrexham CBC and the Family Fund. Both schemes will be grants based. <b>N. Ireland</b> will also run a devolved scheme to be known as <i>Discretionary Support</i> Any reduction in SF help is likely to increase high interest debt (pay day loans, Provident, loan sharks etc.). More families will be presenting themselves to the Local Authority as ‘in need’ Government announced funding for local schemes to cease from 2015/16 though after judicial review challenge have agreed to consult and reconsider.
JSA	New regs. come from April 29 <sup>th</sup> bring conditionality and sanctions in line with UC e.g. spending 35 hours per week job seeking unless health or caring issues.	Higher expectations on claimants increasing risk of sanctions if fail to comply. Decisions about whether there is ‘good cause’ may be very subjective.	Danger of agreeing an unrealistic Claimant Commitment through not understanding/assertive enough. If they then fail to meet it loss of benefit could cause deterioration in health, lack of necessities or homelessness	

Date	Benefit	Change	Impact	Analysis
April/Sept 2013	The Benefits Cap	<p><b>Household Benefits cap</b> on total benefits income for “working age” claimants (unless on DLA or Working Tax Credit) at median income” (c £350 for single adult, £500 for couples), applied initially by cuts in HB, but in future all UC. To be phased in across UK by September 2013. <b>CUT of £270 million pa</b></p>	<p>Starts in 4 London Boroughs of Bromley, Croydon, Enfield and Haringey then rollout across UK from July. Main impact in high rent areas – where people have same low disposable benefits income than other areas, but large rent bills, due to failure of the housing market/policy to provide sufficient affordable housing. Risks of homelessness, migration and ghettoization. Also affects larger households in all areas of UK</p>	<p>Knock on social costs of measure likely to be more than any savings. Govt. argues point of principle: why should people on benefits get more than workers or be allowed to live in affluent areas? Historically key workers, service industries in affluent areas needed staff, but risks of Paris style segregation. A ripple effect on rents beyond areas. Affects larger households in <b>all</b> areas- family disruption/child poverty. Worsens under UC</p>
from April/June 2013	Disability Living Allowance & Personal Independence Payment	<p>DLA for 16 – 64 year olds is being replaced by PIP, but carries on for under 16s and for existing DLA claimants over 65 on 13.04.13. Attendance Allowance remains for new claims from 65 or over:</p> <ul style="list-style-type: none"> <li>• 20% budget cut and focus on most disabled. But focus on working age means a 26% cut</li> <li>• 2 rates in each of Mobility and Daily Living component based on severely limited/ limited ability.</li> <li>• Rates look like DLA but without a Lowest Care – impact and change likely at all current rates</li> <li>• Medical assessment of most claims using ESA process and descriptors/points model, but very different and carefully consulted criteria.</li> <li>• 10 Daily Living activities and 2 Mobility activities</li> <li>• A total of 8-11 pts in each component for Standard rate and, 12 or more for Enhanced</li> <li>• Longer qualifying period – 3-months backward test and 9-month forward test</li> </ul> <p><b>PIP Timetable:</b> New claims for PIP:</p> <ul style="list-style-type: none"> <li>• <b>April 2013</b> – first new claims for PIP in pilot area – NW England and parts of NE. BUT no time for lessons from pilots before PIP went national</li> <li>• <b>June 2013</b> – all new claims from 16 to 64 year olds became claims for PIP across the UK</li> </ul> <p><i>Migration of working age DLA claimants</i></p> <ul style="list-style-type: none"> <li>• Natural rollout from October 2013</li> <li>• Rollout of managed process from October 2015</li> <li>• See below</li> </ul> <p><b>CUT of £1,075 million pa (20% of the budget but focussed on working age claimants – so 28% of these claims)</b></p> <p><b>Even if PIP is not lost or reduced, many face further cuts under Universal Credit</b></p>	<p>Loss of DLA for those failing the new Personal Independence Payment (PIP) criteria – DWP expects 600,000 to come off DLA:</p> <ul style="list-style-type: none"> <li>• despite the success in funding independence and Community Care and DWP assessment of significant under claiming</li> <li>• a double loss to claimants on the lowest income as also lose DLA related premiums in means tested benefits</li> <li>• loss of DLA may also mean loss of exemption from HB/Housing cost non-dependant deductions and the Benefits Cap</li> <li>• individual losses will be concentrated in areas of multiple deprivation where % on DLA are higher</li> <li>• impact will be greater on those lower income individuals and communities</li> <li>• DLA plays a key role in funding supported living schemes, promoting independence and reducing hospital admissions so extra costs to social services, housing and NHS</li> </ul> <p><b>Early days chaos</b> Wrong assumptions and failure to pilot meant that the assessment system has been overwhelmed in first year with claims taking 6 to 12 months for a decision.</p> <p>Action to recruit more assessors and by Capita to act on appointment issues and by Atos to get more and appropriate venues in place has been taken. But it takes 3 months to recruit an assessor and get them “approved so that not every case has to be audited...”</p> <p>Target is no one to wait more than 6 months from Sept 2014 and normal service to start from Jan 2015 – when claims should take 12 to 15 weeks.</p> <p><b>DWP Predicted outcomes</b> Not just a simple removal of DLA Lowest Care. DWP Impact Assessment shows expectation of:</p> <ul style="list-style-type: none"> <li>• sharp drop in Higher Mobility and Lower Mobility,</li> <li>• more Care/Daily Living only awards,</li> <li>• far less Middle Care/Lower Mob etc.</li> </ul> <p>First actual outcomes showed an unusually high overall pass rate simply because of a disproportionate % of earlier decision being for special rules. Latest stats – December 2015- now that PIP has settled show:</p> <ul style="list-style-type: none"> <li>• PIP claims are taking 11 weeks normal rules and 6 days special rules</li> <li>• 49% of new claims are successful: 38% of new awards are daily living only, 8% are Mobility only, 55% are both while 55% of awards include an enhanced rate and 20% are top rate.</li> <li>• 76% of re-assessments were successful</li> <li>• Only 15% of Mandatory Reconsiderations are successful but 60% of appeals are.</li> </ul>	<p>The delays go well beyond teething problems, are entirely unacceptable and could have been avoided by proper piloting of the change. DWP is in danger of establishing a reputation in serial incompetence in project management of over ambitious timescales and lack of thought to avoid unintended consequences.</p> <p>The experience of ESA suggests that points and descriptors do <b>not</b> guarantee objectivity and consistency – rather subjective selection, from expensively commissioned snapshot medicals. Limiting the measure of impact only to key tasks – however carefully constructed and consulted on – may offer less room for a holistic personal and individual assessment rather than more.</p> <p>The omission of supervision activity may rule out a number of very vulnerable people, who may cope reasonably with day to day tasks but need supervision to avoid danger to themselves or others.</p> <p>Unacceptable delays aside, there have been fears of a repeat of the poor ESA experience. But early reports seen so far suggest a higher quality and closer to reality assessment than many ESA ones; auguring well for the DWP laudable aim of “right decision, first time”. Advisers would willingly trade harder appeals for fairer decisions for clients and those without access to advice. Reliability, variability and the 12-month assessment are likely to remain tricky issues...</p> <p>However, the aim remains for a budgetary cut of 28%. If a fair – and speedier – assessment process fails to deliver, it will be much easier to revise the descriptors to achieve those savings as has happened several times with ESA.</p> <p>The case against DLA was largely contrived after the decision was made and the DWP have been told off for mis-selling PIP by the NAO. DLA was not “out of control” nor as little subject to medical scrutiny as claimed. DWP initial research also supported the wide perception that DLA was under not over claimed.</p> <p>The changes abandon slow progress made in DLA case law towards a common sense, flexible and social model of illness and disability. Any losses from lower or nil awards of PIP are likely to be compounded for those on the lowest incomes by the loss of entitlement to disability additions within means tested benefits and tax credits. This double whammy for the poorest and most vulnerable of those with disabilities, will not only affect personal incomes and independence. It will impact on the funding of support services and will result in increased NHS and social services costs. Numbers on PIP and DLA is also a factor in the award of money to local authorities leading to a further cut in resources.</p> <p>The losses will be concentrated in areas with the highest multiple deprivation having an effect on the local economy. It will also impact on the resources to support informal community care, self-help undermining the “Big Society” aims of community support and resilience</p>

Date	Benefit	Change	Impact	Analysis
<p>from April 2013</p>	<p><b>Universal Credit</b></p>	<p>Merges most “working age” means tested benefits and tax credits into a single <b>Universal Credit</b>:</p> <ul style="list-style-type: none"> <li>• <b>Timetable on reset</b> – gradually replacing Income-related JSA in 10 pilot area: <ul style="list-style-type: none"> <li>○ the original four: Ashton u Lyne, Oldham, Wigan and Warrington, plus</li> <li>○ October 2013 rollout begins to Bath, Hammersmith, Harrogate, Inverness, Rugby and Shotton.</li> <li>○ June to December 2014 rolled out to whole of north-west</li> <li>○ All the above areas currently have gateway conditions that allow couples and children (though still no one with disabilities)</li> <li>○ February 2015 – April 2016 – roll out to all jobcentres across UK in four tranches – for single people only</li> <li>○ From December 2014 very small roll out of the new ‘digital service’ – new IT – in part postcode areas of Sutton, Croydon and, from November 2015, London Bridge</li> <li>○ For more info, see <a href="http://www.gov.uk/jobcentres-where-you-can-claim-universal-credit">www.gov.uk/jobcentres-where-you-can-claim-universal-credit</a> and also <a href="http://www.lgbp.co.uk/ucpc/ucpc.html">www.lgbp.co.uk/ucpc/ucpc.html</a> for a map from Lisson Grove highlighting the gateway conditions for each area.</li> </ul> </li> <li>• <b>11 Local Support Services partnerships</b> in place for 12 months from 1<sup>st</sup> Sept 2014, to pilot additional budgeting, mentoring, drug/alcohol and housing support to UC claimants. The LA partnerships include: <ul style="list-style-type: none"> <li><i>Argyll &amp; Bute, Blaenau Gwent, Carmarthenshire, Derby, Dundee, Islington, (Lambeth, Lewisham and Southwark), Northumberland &amp; South Tyneside), South Staffordshire, West Lindsey, Westminster and Kensington &amp; Chelsea).</i></li> </ul> </li> <li>• Six trials were extended for a further three months</li> <li>• <b>Managed migration</b> to take place from June 2018 with ‘the majority of cases’ migrated over by end 2021.</li> <li>• DWP now expect most to move over to UC by “<b>natural migration</b>” via a change of circs. This will already be occurring, but become much more common as UC rolls out to all benefits.</li> <li>• <b>Transitional protection</b> will prevent loss at point of change to UC, but only if via a “managed migration” i.e. most claimants will not get TP. And TP can be lost</li> </ul>	<p>Aims to reduce barriers into work and complex interactions between in work and out of work benefits</p> <ul style="list-style-type: none"> <li>• Aims to smooth transition to work with a common assessment of needs and withdrawal rate of benefit as income increases and no need to stop and reclaim different benefits</li> <li>• Claim is that no-one will be worse off - at point of change. Transitional protection rules are extremely delicate, and most changes in circumstances will result in loss of this protection.</li> <li>• Past estimates of who might be better or worse off under UC and already reduced poverty impacts are now invalid until revised for significant cuts from April 2016.</li> <li>• <b>Adult “disability” elements abolished.</b> <ul style="list-style-type: none"> <li>○ Only “limited capability for work” and “limited capability for work related activity” elements replacing ESA components. LCWRA element (at £72.83) higher than ESA SC to in part replace adult disability premiums</li> <li>○ But it absorbs not only EDP - automatically added to ESA SC - but also SDP and disability premium.</li> <li>○ An award of DLA/PIP will not trigger any UC adult elements, except for “mixed age” couples forced off Pension Credit</li> <li>○ This WCA only approach excludes many people with disabilities: disabled workers, lone parents, carers and jobseekers, unless they can pass the WCA. For some it will be expensive double testing, for others a test they may correctly not pass.</li> <li>○ Those who pass the WCA but only have LCW lose out when previously may have EDP/SDP on top via their DLA</li> </ul> </li> <li>• <b>Workers with disabilities:</b> Those with disabilities / long term illnesses in work, face the absurdity of calling in for an assessment of limited work capability possibly on their way to a full time job. This is the only route to extra support currently available from the WTC disability (“disabled worker”) element.</li> <li>• <b>Child disability:</b> two disability elements as now, but with rates for most disabled children – except only those on the highest rate of Care - halved in order to harmonise with the LCW rate. A loss of over £28 pw for all children not on the highest rate of care.</li> <li>• <b>Carer’s element</b> extended to working carers but disabled carers can only claim carers or limited capability element, not both.</li> <li>• <b>Mixed age pensioner couples</b> (where one partner is above and one partner below pension age) will see a significant loss from being forced on to UC that has no pensioner element. Where such couples are both disabled their loss will be even more significant because of the absence of disability elements</li> </ul>	<p>Attention has focused on the failure to achieve the proposed timetable which is now so flashing red that it has been reset so that UC is now firmly on time. With only c. 100,000 UC claimants to date, mostly new jobseekers, the actual impacts of a UC that works have perhaps been less scrutinised.</p> <p>Aspects of UC are rolling out ahead of the benefit: the UC sanctions regime is largely in place since late 2012 for ESA and JSA claimants now, the UC Claimant Commitment has replaced Jobseeker Agreements and pilots of direct payments to tenants of social landlords are taking place in HB. In-work conditionality could increase use of sanctions.</p> <p>The general concept of UC has had cross party support, though Labour are now committing to a full review and restoration of children’s payments to the person with care.</p> <p>The initial aim of UC was to actually increase spending in an “invest to save” reform aimed at a long term pay off in better “welfare to work” outcomes. UC is now cuts led. Initial number crunching suggests that many in p/t and full time work could be better off under UC, but now they are markedly worse off than colleagues on Working Tax Credits.</p> <p>However, whether some may still be potentially better off all claimants will arrive at the gates of UC, having had successive cuts in their benefits over the years since 2010.</p> <p>While some “losers” will get transitional protection, not all will get it nor keep it. And those that do may in some cases face many years of frozen benefits with each year getting harder</p> <p>There are then some real issues, with much devil in the detail</p> <ul style="list-style-type: none"> <li>• <b>The taper is 65%</b> - with an additional 20 to 30% from council tax support being taken out of the scheme (for a short term £500million cut) Marginal tax rates of 85% plus (as opposed to the original all in proposal of 55%) do little to address work disincentives and the “housing poverty trap”. Yet a top rate of 50% is seen as intolerable for top earners, even though the DWP tell us that “<i>economic theory tells us that the impact of marginal tax rates is highest among low earners</i>”</li> <li>• <b>work allowances</b> are higher for those without housing costs, in part mitigating the loss of any help with mortgage interest on starting work. But the benefit is reduced from April 2016. Shared ownership owners/renters are hard hit: they lose help with interest but only qualify for lower rate housing costs.</li> <li>• <b>Impact on poverty:</b> numbers for reductions in relative poverty have been revised downwards and will need to be revised again for post April 2016. Reports by the Joseph Rowntree Foundation, suggest any positive impacts that some may experience from UC will be lost amongst the overall welfare reform cuts across other benefits – risking “a decade of destitution”.</li> <li>• Minimum <b>work allowances</b> were more generous than current earning disregards in “out of work benefit” improving work incentive for renters. But they still compared poorly with tax credit thresholds or permitted work earnings limits. But after the cuts from April 2016, some will get no earnings disregard at all</li> </ul>

ctd. on next page

Date	Benefit	Change	Impact	Analysis
<p style="text-align: center; vertical-align: middle;"><b>from April 2013</b></p>	<p style="text-align: center; vertical-align: middle;"><b>Universal Credit</b></p>	<p><i>ctd. from previous page</i></p> <ul style="list-style-type: none"> <li>• <b>UC Maximum Amount:</b> a common system of allowances / additional elements: child disability, carers and limited capability and housing costs (for rent and help with mortgage interest) No pensioner or adult disability elements</li> <li>• A single <b>65% taper</b> for earnings after disregards above their UC amount. Taper only applies to earnings – other income will be taken into account £ for £ - particularly affects those that only qualify for help with their rent</li> <li>• Originally more generous <b>earnings disregards</b> aka work allowances, but lower than WTC thresholds, but significant cuts from April 2016</li> <li>• Complexity in the treatment of those with Support for Mortgage Interest: help stops as soon as starting work, but for some access to a higher Work Allowance. Bad news for shared ownership</li> <li>• <b>Four levels of conditionality:</b> <ol style="list-style-type: none"> <li>1. Full job seeking (as in JSA)</li> <li>2. Work preparation - as in ESA WRAC)</li> <li>3. WFIs only - keeping contact with labour market - as in IS (lone parents)</li> <li>4. No conditionality- as ESA SC and IS (carers)</li> </ol> </li> <li>• <b>Work preparation</b> extended to those with children aged three and four</li> <li>• <b>New “in work” conditionality</b> – to be treated and sanctioned as jobseekers until earnings exceed their conditionality threshold (typically 35x hourly NMW, but tailored for e.g. carers, lone parents.</li> <li>• <b>Mixed age couples</b> lose i.e. where one under/one over PC age. Will have to claim Universal Credit, not Pension Credit, with no compensating pensioner element, or severe disability and restricted carers element.</li> <li>• <b>Payments of benefit</b> to one person, monthly in arrears after 7 waiting days (with few exceptions) – with up to 7 days to reach bank account payment will come up to 14 days and 1 month after date of claim. Payment will include all rent but mortgage interest paid direct to lender. Alternative payment arrangements possible at DWP discretion but temporarily.</li> <li>• <b>Capital limit</b> of £16,000 – may stop some currently claiming tax credits. Many WTC claimants may switch to UC entirely made up of transitional addition</li> <li>• 80% of claims to be made <b>on line</b> – no paper claim forms</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Local Authorities</b> are now to be able to share UC information and looked to as partners in claimant support. Registered social landlords will have to make arrangements to collect rent – claimant’s rent accounts will no longer be credited.</li> <li>• <b>Sanctions</b> – the UC regime is largely in place, but UC will bring two new features: <ul style="list-style-type: none"> <li>○ “in work” sanctions for people currently on WTC as per jobseekers until earnings exceed a conditionality threshold</li> <li>○ <i>Hardship Payments</i>, will become repayable from future benefit, effectively a loan.</li> </ul> </li> <li>• <b>Digital by default</b> – now digital by preference – may present difficulties to many claimants in making their claim especially if they live in rural areas with poor coverage and long journeys to e.g. Jobcentre Plus hot computers.</li> <li>• <b>A single monthly payment:</b> this may be problematic in more vulnerable households and where there is financial abuse. Increase in rent arrears are likely as claimants will be responsible for budgeting to pay their rent leading to increase in evictions. The well evidenced fact that paying money for children to the main carer is being ignored and so may not reach children nor be a valuable resource for escaping violent relationships.</li> <li>• <b>Alternative payment arrangements:</b> payments of housing costs to landlord, more frequent payments and split payments are possible but only on application and at discretion which may make previous good practise more difficult</li> <li>• <b>Monthly assessments</b> mean changes of circumstances will be backdated to the beginning of the payment period – good news if an increase entitlement; bad news if it decreases/ loss of entitlement.</li> <li>• <b>Impacts on the self-employed:</b> Discouraging - after the first year in business, self-employed will be assessed as receiving a set threshold regardless of actual income/profit. Some chaotic effects for those with seasonal fluctuating earnings. An additional burden to report separately under DWP rules and HMRC ones. UC loses the tax credit advantage of a single light touch means test.</li> </ul> <p><b>Devolved Differences</b></p> <p>Universal Credit remains a UK wide benefit and is not e.g. devolved in the Scotland Bill. However, differences are likely to emerge:</p> <ul style="list-style-type: none"> <li>• <b>Scotland</b> will have specific UC powers to agree different payment arrangements and over the UC Housing Costs element. It will also have powers to add discretionary payments to any benefits it wishes – but exercising these powers come with a high ticket price.</li> <li>• <b>Northern Ireland</b> has made a one off agreement not to implement the bedroom tax and to be able to vary UC payment arrangements. The UC implementation timetable is still to be developed for the Province, as the Act was only passed in November 2015</li> <li>• <b>Wales</b> is likely – as a minimum – to seek similar variations as N. Ireland.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Sanctions</b> – “sticks” – are much sharper. “In work” conditionality for the first time. No evidence has been offered for the effectiveness of the new sanctions regime, bar a desire to emphasise more conditionality and offer a balance to the carrots of UC. But the balance seems to have tilted as carrots are reduced and sticks sharpened Sanctions have been doubled in the last year with too many examples of vulnerable claimants being set up to fail by target driven staff.</li> <li>• Last resort is becoming routine, plunging many into destitution. Hardship Payments ability to protect the most vulnerable is limited by becoming repayable under UC,</li> <li>• The UC <b>disability gap</b> that results from either confusion between “sickness” and “disability” benefits or a genuine desire to target those with long term illnesses and disabilities, leads to real losses for disabled adults (including workers) and children <ul style="list-style-type: none"> <li>○ A “single gateway” via the WCA misunderstands support for disability as the WCA is inappropriate for jobseekers, carers, lone parents and workers with disabilities.</li> <li>○ A simplistic insistence on harmonisation of rates – by accident or design – halves the support for children with disabilities in the lowest income families (protecting the most vulnerable?)</li> </ul> </li> <li>• <b>Carers</b> continue to lose from existing real cuts in benefits, but those with disabilities lose from the unjustifiable provision that UC will only recognise extra costs of caring or –if passing the WCA- health issues, but not both. A poor reward for the huge sums saved to the Treasury. The extension of carers element to workers though is very welcome</li> </ul> <p><b>Conclusion</b></p> <p>The original UC proposal contained much merit in its plans to unify and simplify benefits, iron out some of the barriers between “out of work” benefits and “in work” benefits and offered a balanced mixture of better financial incentives – to tackle the poverty trap – and reasoned conditionality.</p> <p>Since the original proposals were published in opposition, cuts have considerably increased the complexity and reduced UC’s ability to make much difference to the scandal of the “poverty trap” for low paid workers.</p> <p>As carrots wither and sticks sharpen, UC seems to have lost its original balance. While the treatment of people with disabilities, carers and those pensioners who come into UC’s orbit is both bizarre and regressive.</p> <p>It is much to be hoped that the implementation difficulties and IT issues offer a chance to rethink: not only to progress in a more measured and realistic pace, but also a chance to consider the workings of the scheme and iron out any unintended consequences before they hit vulnerable people.</p> <p>As the UC stands, there is a risk that UC offers less a new modern visions for a social security system fit for the for the 21<sup>st</sup> century, and more a return to the pre-occupations of the Poor Law of the 19<sup>th</sup>.</p>



Date	Benefit	Change	Impact	Analysis
Oct 2013	All DWP Benefits	<p>Mandatory Reconsideration (MR) introduced from 28 October 2013. All decisions must be considered for mandatory reconsideration within the DWP before an appeal can be made.</p> <p>Appeals lodged directly with the Tribunal Service and application for appeal must include a copy of the mandatory reconsideration notice. Intention that from October 2013 there will be a time limit of 4 weeks from lodging of appeal for DWP to produce appeal papers – but, no time limit on MR process.</p>	<p>Biggest impact is for ESA claimants who cannot be paid assessment phase ESA until appeal is lodged. Options during MR period are to claim JSA (if they can manage system) or have no money.</p> <p>Once appeal is lodged they will need fit note backdated to original decision date to get ESA backdated over MR period.</p> <p>Claimants given ‘assurance call’ inviting them to give further evidence to assist with MR but if there is delay providing evidence this will extend the MR period.</p>	<p>If fail to claim JSA, HB will also be suspended and claimant will have to show evidence of ‘nil income’.</p> <p>Risk that people will drop out of system or health will deteriorate as they try to cope with process.</p> <p>No actual financial savings for DWP as JSA paid is equivalent to ESA assessment phase and if don’t claim JSA then ESA is backdated once appeal lodged. In fact, increased financial costs for DWP due to administration of opening and closing JSA claims during the MR period.</p>
Oct 2013 to March 2014	Jobseeker’s Allowance (Claimant Commitment)	<p><b>Roll out of UC Claimant Commitment</b> Roll out of UC Claimant Commitment – very specific agreement which sets out exactly what job search and job preparation must be undertaken each week. Expectation within commitment that claimants can travel up to 90 minutes each way to a job.</p>	<p>Agreement is meant to be individually tailored and important that claimants make clear any restriction they have e.g. due to health problems or caring responsibilities. Relies on good relationship between adviser and claimant to ensure commitment is realistic and achievable</p>	<p>Only requirement in JSA Regs. is to be available for work and to actively seek work – sanctions should only be applied if fail to take reasonable action to find work. Under reg 18 of JSA Regs. this means taking more than 2 steps unless reasonable to only take 1 or 2. Fulfilling all tasks on ‘claimant commitment’ is not necessarily a requirement. However, concern that this will not be applied correctly. Likely to be standard expectations such as send CVs to a set number of companies, cold call a number of prospective employers. Useful actions?</p>
Oct 2013 to July 2015	Personal Independence Payment (natural reassessments) <i>(for updated description of PIP see Part I)</i>	<p><b>Natural reassessments rollout</b></p> <p><b>October 2013</b> – Original plan was for all areas to start a change of circs/renewals switch to PIP from October 2013, with some 600,000 switching by the start of the full managed rollout in October 2015. However only Capita areas started on time with most Atos areas only starting in Nov14 to July 15.</p> <p>Groups switching to PIP included:</p> <ul style="list-style-type: none"> <li>• young people coming up to 16</li> <li>• renewals of DLA claims</li> <li>• DLA supersessions for e.g. change of circs</li> <li>• self-selectors – those who chose to apply for PIP now if e.g. may do better or to get it over with.</li> </ul>	<p>Transitional regulations based on steady state DLA claims moving over to PIP have failed to deal with supersessions due to deterioration.</p> <p>A postcode lottery opened up – DLA claimants in areas where October 2013 changes were delayed would still apply for supersession of DLA with increases paid from date of request. But DLA claimants in areas where an application for PIP was required only received an increase 4 weeks after the PIP decision was made.</p> <p>Now this rollout is complete, <b>all</b> those whose deterioration in health requires a switch from DLA to PIP will be robbed of 6 to 7 weeks increase if they have become terminally ill or 17 to 20 weeks if a less life limiting deterioration. However, from 4.04.16 2016 terminally ill claimants are paid from either the last day of the payment period in which the PIP decision is made, or 1st Tuesday following the decision whichever is the sooner. Those already on PIP needing a supersession are paid any increase in full in the normal way.</p>	<p>This may have been an unintended consequence of a measure aimed at giving a level of protection for those in the later managed migration, where reassessments are not triggered by e.g. deterioration and the expectation is that far more people would lose than gain. Delaying the effective payment until after the PIP decision is made prevents any unfair recovery action and offers 4 weeks to adjust to lower income.</p> <p>However, this left the Government in the invidious position of robbing the dying and those with deteriorating long term health issues. The consequences have been well represented to DWP, but there seemed no response other than a belated one for those with terminal illness.</p>
Jan 2014	Jobseekers Allowance	<p><b>3-month residence requirement</b> – all jobseekers, including returning British nationals, will need to have been resident for 3 months in the UK before they can claim JSA.</p> <p><b>6 months limit on entitlement</b> to JSA for EEA jobseekers unless:</p> <ul style="list-style-type: none"> <li>• ‘compelling evidence’ that they have a genuine prospect of work (GPoW); <b>and</b></li> <li>• have worked in UK for at least a year before; <b>and</b></li> <li>• have either met the minimum earnings threshold (equivalent to the NI lower earnings limit) for at least 3 months or it is accepted that work is ‘genuine and effective’.</li> </ul>	<p>Will affect British nationals returning from work or study abroad as well as EEA nationals</p> <p>Once JSA taken away from EEA nationals after 6 months then that may take away their right to reside as a jobseeker thus removing entitlement to other benefits such as HB, CTC and CB.</p>	<p>Compelling evidence’ of GPoW will be very hard to demonstrate – examples by DWP include that claimant has a job offer that is due to start in a few weeks! However, European legislation does not require that evidence is ‘compelling’.</p> <p>Most EEA nationals will be unable to claim benefits after 6 months unless they can show right to reside through another route e.g. family member is worker, or have child of worker or former worker in education</p>

Date	Benefit	Change	Impact	Analysis
April 2014	Housing Benefit	No entitlement to HB for new EEA jobseekers (although existing HB claimants at point of change can continue to receive it)	Particularly impacts on EEA nationals who have left family home due to domestic violence – as not be able to go to refuge as cannot claim HB (unless another route to right to reside and can claim e.g. IS or ESA.	EEA jobseeker's who have been on JSA since prior to April 2014 need to be very wary of breaking claim as they will be unable to reclaim HB if they make new claim for JSA.
		LHA to rise by lowest of 30% or 1% - with exceptions if has been substantial increase in market rent (list of exceptions can be found in <a href="#">SI 2978/2013</a> )	Claimants whose rent was previously within the LHA may find any rent increase takes them outside leaving them with a shortfall to meet. Increased demand on the DHP budget.	May help objective of keeping private rents under control, but it also likely to mean more and more private landlords are unwilling to accept claimants on benefit.
	Jobseeker's Allowance <i>new conditionality</i>	New conditionality including: <ul style="list-style-type: none"> <li>Day One work search</li> <li>English language requirement</li> <li>Quarterly worksearch interviews</li> <li>Weekly jobsearch reviews/signing on</li> </ul>	Increased expectations likely to mean increased sanctions if claimant fails to adhere to regime.	Again concern as to whether support will be effective in achieving employment for claimant. Current work programme has not achieved success in getting claimants into long-term work
	Income Support ( <i>lone parents</i> )	Increased conditionality once child reaches 3 including – expected to carry out work-related activity in addition to WFIs	Increased level of sanctions (lower level as opposed to lowest level) as failure to carry out work-related activity mean loss of whole personal allowance and for a longer period. Again increased expectations likely to increase sanctions (as with doubling of ESA sanctions in last year)	Concern as to whether work-related activity required be genuinely effective and supportive and how much say they claimant will have to negotiate over suitability.
	Child Tax Credit	Need to inform HMRC by 31 <sup>st</sup> August if a qualifying young person stays in education or comes off claim	Failure to do so will result in child being removed from the claim. Loss of income into the household if claimant informs after one month.	People won't know that they have to specifically do this as HMRC have not advertised this new change.
	Working & Child Tax Credits	All decisions must go to mandatory reconsideration within HMRC before an appeal can be made. Appeals lodged directly with the Tribunal Service and application for appeal must include a copy of the mandatory reconsideration notice.	Adds another layer to tax credit appeals which are already very drawn out.	HMRC operate very strict time limits and may be very unwilling to accept a late MR request. Option to go straight to late appeal where decision is made by an independent Judge is taken away.
May 2014	Carers Allowance	Earnings limit increased to £102	Potential extra income for carers who also work. But negligible increase and still makes it difficult for carers who want to do some work	Carers working over 16 hours can claim WTC, but commercial rate rules for WTC remunerative work, may mean over CA earnings limit.
Oct 2014	JSA and ESA ( <i>waiting days</i> )	Waiting days at start of claim extended to 7 days, for both types of ESA and JSA unless either: <ul style="list-style-type: none"> <li>the claimant has had a linking claim to another benefit within the last 12 weeks, including JSA, ESA, Income Support and Carer's Allowance;</li> <li>is a JSA claimants who is under 18 years old and in severe hardship; or</li> <li>is an ESA claimant who is terminally ill.</li> </ul>	Period without benefit will cause hardship and likely impede job seeking. Will raise anxieties about taking short-term job as a claimant will have to serve waiting days again if outside linking period. May deter people from making claim because they know no benefit for 7 days but will still have to serve once make claim.	Government say short-term benefit advances will be available but these are repayable and on current experience extremely difficult to get. Delay in processing JSA/ESA claim may impact on HB claim although there are no waiting days for that. Not clear if passporting from income-related benefits will happen during waiting period so claimants on means-tested benefits may need to submit HB claim separately from JSA/ESA claim. Intention is to introduce waiting period for UC – which could mean that no housing costs or money for children will be paid for 7 days either.

# NAWRA Welfare Reform / Benefits Changes Chart: Part 2 - Recent and Forthcoming Changes

(For changes before April 2015, please see the updated Part 1 - Earlier Changes)

NB – Timings for Welfare Reform Act changes in N. Ireland are still to be developed as the NI Act was only passed in Nov 2015. Other benefit changes apply from same dates as rest of UK

Date	Benefit	Change	Impact	Analysis
April 2015	All benefits	<p>New overall benefits cap to put ceiling on all benefits (except JSA, UC for jobseekers, Housing Benefit and Retirement Pensions). Set at:</p> <ul style="list-style-type: none"> <li>£119.5bn in 2015-2016;</li> <li>£122.0bn in 2016-2017;</li> <li>£124.6bn in 2017-2018;</li> <li>£126.7bn in 2018-2019.</li> </ul> <p>Another year of uprating based on CPI with many benefits going up by 1% for the third year running</p>	<p>Unclear what the government will do if the cap is at risk of being breached.</p> <p>The third year of 1% brings the real cut often to the poorest in absolute poverty to 4%.</p> <p>Actual cuts experienced by those affected – 60% who are in work - may be significantly higher due to higher inflation rates for the absolute basics – food, fuel and shelter, exacerbated by a poorly evidenced trigger happy sanctions culture,</p> <p>Stated protection for disabilities and carers continues to be only partial only partial as the larger part of their benefit will be 1% restricted.</p> <p>The very different approaches in pension age means that there is a real danger that – US style - “social security” is only offered to older claimants, with a new – but just as grudging - Poor Law for the rest.</p>	<p>Recent reports suggest the rising costs of ESA put the cap at risk</p> <p>The stated reason for the 1% limit is to align benefit increases with the current low growth in earnings – why, the Government, asks, should claimants do better than those in work (ignoring that many are both?).</p> <p>A more transparent and fair approach would be to link benefits permanently to earnings rises. Long term it would stop claimants being left behind at 1960s subsistence rates as the economy recovers.</p> <p>Proposals to extend the 1% limit for a further 2 years are a targeted £3 billion million tax on the poorest (both in and out of work). And as earnings pick up, the Poor Law “lesser eligibility” justification becomes less convincing.</p> <p>Even an open link to earnings would beg the question as to whether those in absolute poverty have any belt to tighten. Something that has been fairly addressed for Retirement Pension via the “triple lock” guarantee.</p>
Aug 2015	Universal Credit (waiting days)	<p>Waiting days at start of claim of 7 days except if:</p> <ul style="list-style-type: none"> <li>terminally ill</li> <li>recent victim of domestic violence</li> <li>care leavers</li> <li>aged 16 or 17 without parental support</li> <li>recent prisoner</li> <li>those moving on and off UC due to earnings within a 6-month period</li> </ul>	<p>Much higher potential impact than waiting days for ESA and JSA as 7 days’ money could be very large amount, if this includes money for children, housing costs, childcare etc.</p> <p>Likely to cause severe hardship to children as well in households where insufficient funds for food, heating etc. Tenants could also be at risk of possession proceedings if unable to pay rent.</p>	<p>Short term advances may be available but unclear how easy these will be to get and no right of appeal as discretionary. However, these are repayable over the next 6 months carrying forward hardship.</p>
Sept 2015	Winter Fuel Payments	<p>Will not be paid to pensioners abroad who live in a country with average winter temperature higher than warmest region of UK.</p>	<p>Retired British people living in Cyprus, France, Greece, Malta, Portugal or Spain will be £200 or £300 worse off a year.</p>	<p>Will impact on pensioners who rely solely on their State Pension and have no other income.</p>
Oct 2015 to March 2018	Personal Independence Payment (full rollout)	<p><b>Full rollout of switch from DLA to PIP</b></p> <p>From October 2015, a managed switch of remaining working age DLA claimants who were under 65 as at 8<sup>th</sup> April 2015, began across Great Britain. However, Northern Ireland remains with DLA until an implementation timetable is developed (PIP only came into law there from November 2015)</p> <p><b>Process involves:</b> - see <a href="#">DWP FAQs here</a></p> <ul style="list-style-type: none"> <li>claimant receives an invitation letter to claim PIP at some point between October 2015 and October 2017 – click link <a href="#">here</a></li> </ul> <p>(ctd on next page)</p>	<p>The first problem for claimants is realising that regardless of how long their DLA claim was due to run for, they must start a PIP claim to replace it. The uncertain, vulnerable or chaotic may miss the deadlines and be left without additional disability benefit income a- and related premiums in non-means tested benefit for some months – even if these are eventually restored after a PIP award.</p> <p><b>PIP Likely winners and losers</b></p> <p>Once in the process, eventual outcome will depend on the PIP decision. Overall the DWP are expecting:</p> <ul style="list-style-type: none"> <li>29% to get more under PIP than under DLA</li> <li>29% to get less PIP than under DLA</li> <li>26% to get no PIP at all</li> <li>only 16% likely to get the same under PIP as under DLA</li> </ul>	<p><b>This is not a migration.</b> The DWP emphasise is that this is “a fresh assessment for a new benefit with different criteria”. This conveniently absolves the Government from:</p> <ul style="list-style-type: none"> <li><b>Engaging with DLA claimants:</b> PIP is an opt in process, - claimants have to actively start a PIP claim and many may fail to do so either at all or in time&gt; You can’t make people claim shrugs DWP</li> <li><b>Reviewing DLA records:</b> e.g. to identify vulnerable claimants, avoid accidental disclosure of harmful information, or claimants where current evidence already robustly indicates a PIP award.</li> <li><b>The usual precedent of transitional protection:</b> There is no TP apart from a run on for 4 weeks, which for many has meant losses in benefit.</li> </ul>

Date	Benefit	Change	Impact	Analysis
<p style="text-align: center;"><b>Oct 2015 to Mar 2018</b></p>	<p>(ctd from previous page)</p> <p style="text-align: center;"><b>Personal Independence Payment (full rollout)</b></p>	<ul style="list-style-type: none"> <li>• A time limit to respond – if claimant does not do so within 4 weeks, DLA is <i>suspended</i> unless good cause. Once PIP is claimed DLA is restored.</li> <li>• If PIP not claimed within 4 weeks of suspension, then DLA is <i>terminated</i>. Can start a new PIP claim thereafter, but no ongoing payment – nor related means tested premiums – until PIP decision.</li> <li>• From then on claim process is exactly as for any other new PIP claim, with no reference to past DLA information, but claimant can ask for copies.</li> <li>• New PIP decision will take effect four weeks after it is made for people who have applied in time and retained DLA. This is to give “a measure of transitional protection to enable claimants to adjust to their new rate of benefit”</li> <li>• Last invitations expected October 2017, last transfer PIP decisions made by March 2018 and the end of “working age DLA”.</li> </ul>	<p>New descriptors offer potential winners and losers. As with ESA, those with less easily definable difficulties or lesser physical needs may be hit.</p> <ul style="list-style-type: none"> <li>• criteria for Enhanced Mobility is 20m rather than c.50m of DLA Mobility – some 600,000 likely to lose Higher Mobility mostly down to Standard Rate – a loss of £33 income and access to Motability. Motability were expecting a 33 % drop in customers but early indications show this is nearer 45%</li> <li>• some 200,000 DLA Lower Mobility claimants may score enough points for PIP Enhanced Mobility for the first time.</li> <li>• But after the arrival of people dropping down from DLA Higher Mobility, some 600,000 will come off DLA Lower Mobility. This comes mainly from diverting those with mental health issues away from mainstream following and planning descriptors over to lower scoring Overwhelming psychological distress ones”</li> <li>• only 1pt for DLA Care supervision for risk of danger (e.g. epilepsy diabetes, poorly controlled asthma, psychotic episodes). Will need to link supervision issues to specific daily living descriptors.</li> <li>• the DLA ‘cooking test’ (for lower Care) still attracts points but not enough on its own for an award. Some may lose DLA Care as a result, others may find it easier to find points elsewhere. It may be easier to do that than it was to make the leap from DLA Lowest to DLA Middle Care.</li> <li>• prompting with an activity tends to score less than physical help</li> <li>• increased recognition of aids and appliances may help physically disabled people who manage with these. Government plans to downgrade descriptors 4b and 6b (aids and adaptations while washing and dressing from 2pts to 1 pt. aimed to save £1.2 billion a year. Their abandonment and commitments to no new cuts is v. welcome, but of course the rollouts of PIP and UC continue and the Government will continue “to balance the books on the backs of the working poor and disabled”</li> </ul> <p>But some activities - communication, engaging with others and budgeting decisions - may help many with prompting needs e.g. learning difficulties, autism, sensory impairment &amp; mental health</p>	<p>Yet all the above were on offer in the switch from Incapacity Benefit to ESA, although this similarly involved a new benefit with different health assessment criteria. That said it’s not all bad news:</p> <ul style="list-style-type: none"> <li>• some claimants can reasonably hope to get more out of PIP than under DLA</li> <li>• the lived experience so far of PIP assessments has overall been much better than ESA ones.</li> </ul> <p><b>Other concerns include:</b></p> <ul style="list-style-type: none"> <li>• <b>Fear of the re-assessment process</b> – as much as the outcome - may cause serious anxiety, stress and self-harm among claimants, as with the switch to ESA, compounded by any negative past experiences of ESA re-assessment. DLA may not be basic income, but for many it makes the difference between “living and merely existing” – and the thought of losing it may be intolerable.</li> <li>• <b>Young people in transition</b> will face extra uncertainty as they move to PIP – and potential crucial losses on e.g. mobility (impacting on education / transport). Dependent young people will continue to get UC child disability elements, albeit reduced. But the absence of Adult disability elements may sharpen a drop when switching to own claim and add barriers to work</li> <li>• <b>The 16% of DLA claimants in paid work</b> may find loss of Mobility particularly difficult, while personal independence and work incentives are unlikely to be supported by the confusion around in UC around disability and work.</li> <li>• <b>Changes to disability premiums and elements:</b> Any losses from the switch from DLA to PIP will be compounded by the abandonment of disability elements and the halving of child disability elements within Universal Credit. For some these are worth as much or more than the DLA/PIP itself. Targeting those people on the lowest incomes – including disabled children in low income families sits oddly with objectives of “protecting the most vulnerable”</li> </ul>
<p style="text-align: center;"><b>Nov 2015</b></p>	<p style="text-align: center;"><b>Welfare Reform (Northern Ireland) Act, 2015</b></p>	<p>The Act has now been passed into law to implement changes similar to the Welfare Reform Act 2012. Specific “mitigations” were agreed via £345 million welfare supplementary payments (WSP) over 4 years:</p> <ul style="list-style-type: none"> <li>• Benefits cap – from 31.05.16 – DHPs and WSPs</li> <li>• Time limiting of ESA – 28.11.16 WSP 12 months</li> <li>• Dates tbc for PIP and UC to start: WSPs include <ul style="list-style-type: none"> <li>○ if lose DLA on transfer to PIP until appeal,</li> <li>○ top if score 4pts to a standard rate</li> <li>○ a one year run on for CA if DLA stops</li> <li>○ Support if losing on switch from WTC to UC</li> </ul> </li> <li>• Other measures: <ul style="list-style-type: none"> <li>○ UC payment arrangements: more frequent, easier rent direct to landlord</li> <li>○ disc Social Fund becomes <i>Discretionary Support</i></li> <li>○ helpline and advice sector resources re UC &amp; sanctions and contingency fund if UC delayed.</li> </ul> </li> </ul>	<p>The changes and impacts will be largely as described in the relevant parts of the rest of this table. The extent of the cuts in N. Ireland can be seen in the financial penalty being imposed on the Assembly for not passing the act - £115m. pa. However, the NI Executive will be able to fund additional discretionary help</p> <p>Impacts in N. Ireland as in many parts of Wales, Scotland and Northern England may be exacerbated by higher % of people with long term limiting illnesses and higher current claim rates.</p> <p>The discretionary funding package largely financed out of the NI Executive budget will make a significant difference to may affected and capacity in the advice sector.</p> <p>From slow start it is expected that it will be fast pace ahead, with the UK Government taking back regulation making powers until December 2016, to then be returned to the NI Assembly and Department of Social Development in NI</p>	<p>See the rest of the chart for analysis on the individual changes. The “mitigations” both conceded by the UK Government and funded largely by the NI Executive will cushion the impact.</p> <p>In contrast to Westminster, where opposition to cuts has a bit muted – based on assessment of political chances of success, opposition to the cuts has been a central issue and has nearly collapsed of the Good Friday agreement.</p> <p>The final push has involved extremely speedy ratifications in Westminster and direct rule for 2016 on social security matters to get the changes implemented</p>

Date	Benefit	Change	Impact	Analysis	
Nov 2015	Tax Credits	<p><i>Tax Credit overpayments recovery</i></p> <ul style="list-style-type: none"> <li>Recovery increasingly outsourced to private debt recovery agencies</li> <li>Overpayments of WTC can be recovered from CTC and vice versa</li> </ul>	The worry is that detaching recovery from HMRC may reduce the ability to take into account extenuating circumstances and increase the amount of overpayment. There may also be a temptation to seek the easiest recovery - e.g. an overpayment caused by misreporting by a now absent working partner may fall on the innocent partner and children		
April 2016 to April 2020	Benefits Freeze	<ul style="list-style-type: none"> <li>A freeze on “working age” benefits - i.e. no uprating of benefits or tax credits. except for protected elements (e.g. disability, carers and ESA support component)</li> <li>A freeze on LHA allowances under HB</li> </ul> <p><b>Cuts to claimants: £4 billion</b></p>	<p>Although protected elements will go up by CPI, this will not apply to the main part of that persons benefit e.g. an ESA/IS personal allowances for the unwell or carers, so real cuts persist but at a slightly lower rate. No real difference in 2016 as there have been no CPI increases anyway</p> <p>LHA freeze will further reduce the proportion of private sector rentals that are affordable and available to HB claimants - in or out of work. While landlords are increasingly reluctant to rent to HB claimants.</p>	<p>A continuation of stealth cuts achieved by simply not increasing benefits by inflation. These follow year on year real cuts since 2011 to subsistence rates set in the 1960s - a 5% real cut to date</p> <p>Based on the false premise that the poorest taxpayers caused the budget deficit rather than the richest.</p>	
April 2016	Tax Credits	<p><b>Reduction in increased income disregard:</b></p> <p>The amount of any increase in income during a tax year that will be ignored in calculating tax credit entitlement in the next is reduced from £5,000 to £2,500. <b>Cut by 2020: £110 million</b></p>	This cut remains and the result is likely to be a return to the serious overpayment problems and unpredictability of tax credits early years, which left many early claimants wishing they had never claimed tax credits.	<p>This disregard had two purposes, to:</p> <ul style="list-style-type: none"> <li>build in incentive to increase hours/pay rate in a tax year a</li> <li>reduce occurrence of overpayments within a tax year.</li> </ul> <p>DWP claim to have learned from TC teething problems, but HMRC are now condemned to repeat history</p>	
	Support for Mortgage Interest	<p><b>Waiting period</b> for help with mortgage interest returns to 39 weeks rather than the present 13 weeks in many cases.</p> <p>Capital limits remain at the higher rate of £200,000.</p>	This combined with the loss of linking rule and zero earnings rule (in universal credit only) means that if someone just does a very small amount of work they will have to wait another 9 months for help.	Given increase of conditionality it seems likely that homeowners will have to choose between being sanctioned or possibly losing their home. Will people still be insured for the full 39 weeks? The original extension was justified on the basis of plenty of notice to allow people to adjust their insurance cover.	
	Universal Credit <i>for full &amp; updated description of UC, see under Part 1)</i>	Childcare element	<p><b>Childcare element</b> can now cover 85% of eligible costs</p>	More support for working parents but upper limits will still be restrictive for parents with a number of children in child care.	Rollout process and timetable still very unclear and liable to change
		Work allowances	<p><b>Work allowances</b> are cut: removed completely for those without children or disabilities, and reduced for those with children or disabilities</p> <p>There are now 2 rates only in each band:</p>	<p>Initially this will affect only 88,000 current UC claimants in paid work with sudden drops in their UC entitlement. In time, though, this will take in all 2.5 million Working Tax Credit claimants, only some of whom will get transitional protection at the point of change.</p> <p>Big reduction in work incentive for those without children or disabilities – UC will start to be withdrawn from the very first earnings</p>	<p>Welfare reform’s claims to “make work pay” take a severe hit. The abandoned cut to Working Tax Credit hits UC claimants in work in full from April 2016. Work colleagues on WTC will join them in time, with only a minority getting any transitional protection, and some may lose it.</p> <p>Welcome increases in the NMW may help some – but by no means all – to recover some of these losses. Just increasing the NMW alone would have eventually yielded significant savings; but savings early hits “strivers” hard.</p>
JSA & Universal Credit	<p><b>Jobseeker support and conditionality</b></p> <ul style="list-style-type: none"> <li>increased Jobcentre Plus support</li> <li>JSA support and conditionality to extend to 1.3 million claimants</li> <li>Weekly attendance at jobcentres in first 3 months</li> <li>Help to Work Programme - currently for long - term claimants to be brought forward</li> <li>A new Work and Health Programme to replace the Work Programme / Work Choice from April 2017 as current contracts end</li> <li>Spending on Access to Work will rise</li> </ul>	<p>Added requirements to attend adds costs to claimants and heightened risks of sanctions.</p> <p>The new Work and Health Programme – from April 2017 - is to come in as current contracts expire and promises a more effective support and better outcomes</p> <p>There may be real gains from any positive support offered if it is appropriate and relevant. The Work Programme developed an early reputation as being less effective than doing nothing, so time will tell if new arrangements do better.</p>	<p>Research suggests that the vast majority of claimants desperately want work and would welcome positive support to help secure it.</p> <p>The concerns are whether:</p> <ul style="list-style-type: none"> <li>that support is effective? Earlier reviews of the Work Programme concluded it was less effective than doing nothing and it would have been cheaper and more effective to just let jobseekers get on with it.</li> <li>the obsession with conditionality and summary / disproportionate sanctions help the effectiveness of good support? The policy is not evidence-based and appears out of control; last resort has too often become first.</li> </ul>		

Date	Benefit	Change	Impact	Analysis
April 2016	Housing Benefit	<b>Family Premium abolished:</b> where 1st born after April 2016 and all new HB claims post 04/16	This cut hits families in and out of work coming a year before the abolition of CTC family element and UC additions for the first child. Those passported on to HB will be unaffected, but those who are not – e.g. on contributory benefits or “in work” may see a loss of £10 a week	A bizarre punishment of children that seems to target the Chancellor’s erstwhile favoured strivers
		<b>Restrictions on HB abroad:</b> HB will be restricted to 4 weeks during temporary absences if tenant is abroad (although planned for April this has now been delayed to summer 2016 – see HB Bulletin G4/2016)	This replaces current periods of 13 weeks. The same issues for people with disabilities that led to a concession on PIP also apply to HB. Also an issue for many retired people.	An understanding that people with disabilities might need a longer period led to this proposal not being adopted for PIP and it seems odd not to have allowed an exception under HB
		<b>Backdating limited to 1 month:</b> Lines up with Universal Credit, replacing 3 months after pension age and 6 months working age – if “good cause”	A small saving, but backdating with good cause – can be a major help to people who may have not been able to complete a claim or have a retrospective recovery of HB on loss of a passported benefit, even when otherwise entitled to HB	A small cut that may cause serious hardship to vulnerable claimants who are not well placed to meet “claimant responsibilities”. May have an impact on arrears especially in supported housing.
		<b>LHA to apply to new social housing lets:</b> Will affect all new tenancies after April 1st 2016 but supported housing all new tenancies after April 2017), but with LHA limits not taking effect until April 2018	For many this will make little difference as unsubsidized but more efficient social housing rents may mostly be below LHA anyway. The big impact may be in supported housing, where under 35s may find a shortfall when constrained to single room rents	LHA rent restrictions has some logic in an open private market, so as not to drive up rents or allow tenants to choose excessive accommodation, but seem inappropriate when rent levels and allocation on housing need. Not clear how this will interact with the “bedroom tax” which loses its point
	“Single tier” State Retirement Pension	Pensions Act 2014 introduces new single tier State Pension for those reaching State Pension Age from 6 <sup>th</sup> April 2016. This will combine: <ul style="list-style-type: none"> <li>the former State Retirement Pension</li> <li>Additional State Pension (i.e. SERPS, Second State Pension)</li> <li>abolition of PC (Savings Credit) for those claiming the new SRP see under PC below</li> </ul> The full pension will be start at £155.65, some 5p above the standard amount in PC (Guarantee). However, reductions will apply for any years of NI at “contracted out” rates. 35 years NI (with the abolition of the “contracted out” NI rate) for full pension and minimum of 10 years for any pension.	<ul style="list-style-type: none"> <li>Simplifies RP and reduces gender inequalities (from old NI contribution conditions and differential accumulation of earnings related second pensions).</li> <li>A comparison will be made with entitlement under the old system and the higher amount will be paid.</li> <li>But will be some years before all with 35 years get full single tier rate – e.g. due to protection for pension already accrued and reductions for time contracted out.</li> <li>Less means testing as new combined pension rate would be above basic PC appropriate amount and no savings credit – PC claims cut by 50%. But PC remains especially for disability, carers, the inclusion of Housing Credit and child allowances</li> </ul> Increases incentive for saving	Idea widely seen as having merit, but issues: <ul style="list-style-type: none"> <li>Transitional rules minimise unfairness to SERPS/S2P pensioners along with reductions for “contracted out” years while in works/private schemes, but make system harder to understand</li> <li>New system will not cost more and over time will cost less – so while some will be better off, others would have received more if the current system continued This might apply to people who could build up higher pensions through S2P and people expecting to be able to use partner’s contributions.</li> <li>Not available to people who reach SPA before 6 April 2016.</li> <li>PC Guarantee Credit top up still available, but note changes below.</li> </ul>
	Pension Credit	New standard minimum rates of £155.60 and £ couples from April 2016	Setting the new “single tier pension just above the single person standard amount in Pension Credit does not mean the end of PC – see analysis. However, those who do lose PC for the sake of 5p, may lose considerably more from loss of passported benefits or if no longer able to bypass the HB savings limit	The rate is set at 5p below the new pension, but reports of the end of PC are exaggerated. Numbers will fall by 50% but <ul style="list-style-type: none"> <li>those getting additions may still need a PC top up.</li> <li>many who are do not get additions may return to PC when PC becomes PC+ with added allowances for rent and dependent children</li> </ul>
	<i>ctd. on next page</i>	PC will only be paid for up to 4 weeks for those outside UK (although planned for April this has now been delayed to summer 2016 – see HB Bulletin G4/2016)	May hit pensioners taking long breaks in warmer countries or making long trips to see family in further flung locations	There is no allowance made for pensioners with disabilities. Proposals to make the same changes for disability benefits were dropped to allow for the added difficulty in travel for those with disabilities. Should the same apply here?

Date	Benefit	Change	Impact	Analysis
April 2016	Pension Credit (continued)	<p>ctd from previous page</p> <p>PC Savings Credit will not apply to people reaching pension age from 6/4/16 onwards</p> <p>SC can still be added to PC claims after 04/16 when claimant reaches 65 (provided pension age before 6/4/16). Savings Credit continues - with real cuts - for those who are pension age before 6/4/16.</p>	Savings Credit has been withering on the vine for some years with a view to its eventual merger into the new single tier SRP. Plans have been eased, but still some potential losses of up to £17pw.	<ul style="list-style-type: none"> <li>This funds any increases above CPI when Guarantee Credit matches the cash increase in "old style" SRP.</li> </ul>
		<p>No new assessed income periods (AIPs) to be issues after 6/4/16. Existing AIPs will end between 6/4/16 and 31/3/19 unless indefinite in which will remain in place unless end under existing rules.</p>	Loss of AIPs mean that pensioners who come into money e.g. through sale of a house may lose entitlement to means-tested benefits. Increased obligations on older claimants who will have to report every variation in income as and when it happens – those used to an AIP may be particularly likely to fail to do so.	May have an impact on moves to sheltered / extended care schemes as claimant will no longer be able to claim HB during an AIP, if they have not sold their property before moving in. Worries over high rents to fund schemes may affect take up and viability.
May 2016 to June 2018	Universal Credit (full rollout)	<p><b>Rollout of full UC Digital Service.</b></p> <ul style="list-style-type: none"> <li>March /April 2016 – extending postcodes around pilot areas – Croydon, Great Yarmouth, Houslow, Musselburgh, Southwark and Sutton.</li> <li>May to Dec 2016 – first phases of c.5 JC+ offices a month – rather than whole LA areas</li> <li>Progress to dictate next announcements, but aim is to crank up to 50+ JC+ offices a month in 2017.</li> <li>Further details at: <a href="http://www.gov.uk/government/publications/universal-credit-transition-to-full-service">www.gov.uk/government/publications/universal-credit-transition-to-full-service</a></li> <li>Aim is to complete roll out for new claims across UK – inc. N. Ireland) by June 2018</li> <li>After which "managed migration" starts for those still on "legacy benefits" to be completed by March 2021</li> </ul> <p>(for full updated description of UC see Part I)</p>	<p>Unclear whether the digital service will be fit for purpose – currently under 1,000 claimants. Also not clear how claimants will be migrated from the current 'live service' to the 'digital service'. Conditionality may well be managed much more digitally...</p> <p>As a JC+ area starts implementing the full Digital Service there will be an end to gateway conditions and all new claims for legacy benefits will now be for UC.</p> <p>This will also mean "mixed age couples previously able to claim PC will have to start claiming UC.</p> <p>This will significantly increase the rate of "natural migration" through change of circumstances – e.g. a new child is born or a switch from JSA to ESA, when ESA and CTC are no longer available to new claimants. The DWP expects most claimants to switch this way</p> <p>There will still be some winners amongst those having to apply for UC or undergoing a switch to UC by "natural migration", but the April 2016 cuts will have significantly reduced these while many carers and people with disabilities may lose.</p>	<p>This sees the gradual arrival of the full Universal Credit – now in a much more cuts driven, meanness benefit mode than originally envisaged. The process of opening up to all new claims was originally due to be completed by June 2014, so once rolled out UC will be 4 years late.</p> <p>The delay of any "managed migration" originally due to start after June 2014 - but now not until June 2018 see separate entry below - means that the DWP expect most switches to UC to be by "natural migration" rather than "managed".</p> <p>This will mean the majority of claimants will <b>not</b> get any transitional protection to cushion any losses from switching to UC. Already a major concern for those with disabilities, this has now become a big issue for many low income workers following the April 2016 cuts.</p> <p>During this period those hardest hit by having made a new claim to UC or a "natural migration" can at least end their UC claim and reclaim a "legacy benefit" in another, if that is a viable option for them.</p> <p>Note: <b>Wales</b> - Current "live service" UC jobseeker claims in Welsh are by free call telephone. Rollout of the full Digital Service will not start until online claim can be taken in Welsh/Cymraeg.</p> <p><b>N. Ireland</b> is to develop UC implementation timetable. Focus is still on 2012 changes. May go straight to a rollout of full UC service?</p>
from May 2016 to June 2018	Pension Credit & UC	<p><b>Changes linked to Universal Credit:</b></p> <ul style="list-style-type: none"> <li>a new 'housing credit' within the Pension Credit as Housing Benefit is abolished for new claims. (now delayed to 2017/8 at the earliest)</li> <li>new 'child additions' as no Child Tax Credit</li> </ul> <p><b>New capital limit:</b> Ministers have stated that it will be substantially higher than other MTBs (? £32,000)</p> <p><b>Couples</b> – both will have to have reached pension credit qualifying age (i.e. women's state pension age) to qualify for this benefit, not just the older partner – the date for this not yet announced. Those already receiving PC will be able to continue to receive it.</p> <p><b>Workers over PC age lose:</b> could claim Working Tax Credit, but will not be able to claim Universal Credit. In areas where WTC no longer available.</p>	<p>A person may be eligible for the PC Housing Credit even if they can't get Guarantee or Savings credit. (in the same way as HB now)</p> <p>Child Tax Credit is being abolished for new claims from April 2014; Provision will be via new child additions within PC instead, but unless rules change many could be worse off:</p> <p>CTC does not have capital limits and pays maximum CTC for income below a high threshold. Where income exceeds this CTC tapers off at 41% rather than £ for £. And has a £300 disregard on pension income. PC child amounts will simply taper of £ for £ as income exceeds the amounts for the adults alone.</p> <p>Couples where one under pension credit age will have to stay on/make new claim for Universal Credit – which unlike old "working age" means tested benefits does not have Pensioner Premium (and little in disability support). A significant cut for new mixed age couples – or existing ones breaking their claim</p>	<p>Potentially a different calculation for this housing credit than the elements of Pension Credit as they merge the different calculation and rules of housing benefit into 'Pension Credit – housing credit'.</p> <p>A number of different categories of Pension Credit claimants will emerge: those with transitional protection to old amounts, new claimants of Pension Credit Plus and mixed age couples forced on to Universal Credit.</p> <p>Will add to the confusion for claimants, and may impact on 'special guardianship orders' or need for kinship foster allowances -as benefits will not be as generous as under current entitlement to Child Tax Credit.</p> <p>Will be important to maximise take up of Pension Credit among mixed age couples before changes introduced and make sure couples in this situation already receiving Pension Credit understand the impact of a break in their claim.</p>

Date	Benefit	Change	Impact	Analysis
May 2016	Scotland Act	<p>The Act was given royal assent on 24.03.2016 implementing the Smith Commission and linked financial agreement. This devolves some 40% of benefits spending to the Scottish Parliament including</p> <ul style="list-style-type: none"> <li>full control over disability, carers and industrial injuries benefits and the regulated social Fund.</li> <li>vary UC payment frequency, rent direct and split payments between couples and housing costs element</li> <li>top ups to any reserved benefits</li> <li>short term discretionary powers for top up to e.g. support for prisoners or DHPs</li> <li>new benefits in devolved areas</li> <li>own employment programmes</li> </ul>	<p>After much negotiation around both Bill and underlying financial framework, the Scotland Bill is on its way to enactment with the blessings of all parties. It essentially delivers on that part of the Smith Commission agreement and has approval – to varying degrees of enthusiasm – from all parties.</p> <p>The potential impact is significant. However unlike N. Ireland where the shape of devolved differences is all part of a hurried one off agreement, substantial powers are transferred to the Scottish Parliament, for an ongoing debate about what to do with them.</p> <p>Consultations are afoot with both opportunities and challenges: one option might be to have a more generous PIP or return to DLA. Another siren voice might be to roll that pot over to social work departments for assessment there...</p> <p>It will be watch this space and future updates will capture the changes</p>	<p>Opposition to cuts in Westminster has been muted by the depressing calculation of potentially pushing an unpopular cause, but all credit on Working Tax Credit. By contrast, welfare cuts have been a significant factor in Scottish politics. It is probably fair to say there is a kinder welfare consensus in Holyrood across most parties, with opposition to cuts being seen as more a vote winner rather than a vote loser.</p> <p>But the devil will be in the price tag. So far Scottish differentiation – while popular – has come relatively cheaply. More substantial new initiatives or mitigations of UK cuts come with bigger price tags. Consultations have been taking place in particular on disability benefits: a kinder, gentler PIP? Back to DLA? Something completely different?</p> <p>It is likely that ideas and proposals around what to do with the new powers will be an important part of party manifestos in the May 2016 Scottish Parliament elections and over time significant differences will emerge.</p>
late 2016	Benefits Cap	<p>The maximum amount a household can receive in income on benefits are reduced from current £26,000 couples and lone parents and £18,200 singles to a two tier:</p> <ul style="list-style-type: none"> <li>in Greater London £23,000 couples/LPs, and £15,410 singles</li> <li>outside Greater London £20,000 couples/ LPs and £13,400 singles.</li> <li><b>Cut by 2020: £495 million</b></li> </ul>	<p>The Cap only previously affected less than 1% of claimants but is now set to rise to nearer 4%.</p> <p>While impacts will continue to be felt most in London and the south east, the new lower rates outside the capital, will mean areas unused to capping on any large scale experiencing greater pressures on rent arrears, homelessness, social cost of disruption etc.</p> <p>The £20,000 cap will affect any household with 3 or more children, even in low rent areas or in social housing.</p>	<p>It was a moot point whether the original cap actually saved anything as savings to the DWP budget may have been more than offset by costs elsewhere.</p> <p>In contrast to the general freeze, the Cap takes a lot of money from a few people. Its purpose may be less fiscal and more political: to foster resentment and a sense of grievance against claimant to win public support for far more lucrative welfare cuts elsewhere</p>
April 2017	Housing Benefit	<p><b>LHA on social tenancies</b> now apply to new tenancies in supported accommodation</p>	<p>See under April 2016. The concession recognized the issue for social housing – see April 2016 - but still persists with destabilizing threat to viability</p>	<p>See under April 2016. A year's grace may have little impact as high turnovers in short term / move on schemes may mean that there will still be a major financial hit come April 2018.</p>
		<p><b>Two child restriction</b> to apply to housing benefit too – announced in summer budget 2015 but not contained as part of Welfare Reform and Work Bill</p>	<p>Brought in to coincide with same change in CTC and related change in UC, so that HB does not increase to compensate for reduced CTC and UC. See impacts under CTC and UC below</p>	<p>Odd not to feature in the Welfare Reform Act, but assumption is for a cunning legislative plan to ensure that unfed children don't get shelter either.</p>
		<p><b>HB and Under 21s:</b> No HB - or UC Housing Costs Element -for jobseekers under 21, unless they:</p> <ul style="list-style-type: none"> <li>count as "vulnerable"</li> <li>are unable to live with their parents</li> <li>are parents themselves</li> </ul> <p>have been working for at least 6 months before the HB claim; HB payable for 6 months</p>	<p>It may increase homelessness and undermine any positive support within the Youth Obligation</p> <p>Proving a young person is 'vulnerable' or unable to live with parents will be difficult, and youth homelessness may well increase.</p>	<p>The move again singles out young people as somehow less deserving of support from their fellow citizens.</p> <p>Young people are old enough to participate in society and die for their country, but not to be treated as adults in housing terms until they are 35. The Intergenerational Foundation is concerned at the economic, social and political impact of this growing divide.</p>
	<p><b>Universal Credit</b> <i>(delayed from April 2016)</i></p>	<p><b>Surplus earnings</b> rule brought in for those on the 'digital system' – accumulated earnings that are more than £300/month over threshold for nil entitlement to UC, count as notional income on a return to UC within 6 months.</p>	<p>Extremely complex rule will be make it very hard for claimants to know what benefit they might receive in the future – and for advisers to advise!! A serious disincentive to take short term contracts if they take you off Universal Credit.</p>	<p>Claimants who manage to get their head above water in respect of debt during a period of employment may then find they are plunged back into debt after, as both delays in restarting their UC claim and the "surplus earnings" rule eat into their UC payments. This is the reverse of tax credits which offer increased incentives on moving into work</p>
		<p>Ability for self-employed people to <b>carry forward losses</b> to next month for up to 11 months – introduced for claimants in the 'digital system' only.</p>	<p>Positive rule for self-employed allowing them to even out earnings through high and low periods. However, minimum income floor will still impact.</p>	



Date	Benefit	Change	Impact	Analysis	
April 2017	Universal Credit & IS	<b>Work conditionality for parents:</b> <ul style="list-style-type: none"> <li>work preparation for those with child aged 2</li> <li>full jobseeking for those with child aged 3 or 4</li> </ul>	Main carers will be subject to sanctions of all their standard allowance from when their youngest child is 2.	More use of foodbanks and destitution unless the policy around sanctioning is changed	
	UC and Child Tax Credit	<b>Family element (CTC) / 1<sup>st</sup> child addition UC:</b> Abolished where first child born after April 2017  <b>Cuts of £675 million by 2020 (inc HB Fam Prem.)</b>	Hits all families with a loss of £10.50 a week. Families on HB will have already lost some £11 a week from the abolition of the similar HB Family Premium from April 2016	This was originally a child allowance in income tax. Would it have been cut if it still was? Switching it to CTC added to the payment to the main carer, which evidence showed made it more likely to reach the children, a process reversed in UC. It also encouraged people to register with CTC even just for this payment, so that CTC was in place to adjust in the event of e.g. one parent's income ceasing. Abolition sees the end of "progressive universalism" preventing, rather than merely alleviating, child poverty.	
	Universal Credit & Child Tax Credit	<b>The "two child" policy</b> - No CTC individual element (if child born after 6.04.17) / UC child element (if new claim after 6.04.17) for a third or subsequent child, with some exceptions.  <b>Cuts of £1,365 million by 2020</b>	Larger families who don't have transitional protection or have a third (or more) child after April 2017 will be left without financial support for that child, with some exceptions e.g. multiple births, rape. A migration from CTC to UC will not be a new claim so a child born before 6.04.17 will not be caught. But will be if off UC for 6 months. A major perverse disincentive to risk coming off UC. A disabled child element can still be paid - where appropriate - to an excluded 3 <sup>rd</sup> or subsequent child. But this is halved for most under UC	Even under the current "too generous" system families with more than 2 children are more likely to be in poverty. There is no evidence that claimants have larger family sizes than other taxpayers. Rather, the policy speaks more to ancient Poor Law myths of feckless parents being the authors of their own misfortune. It ignores the potential, the life chances and the rights of the child and hits families at a point where child poverty already rises to 35% rather than 25%. Unlike the benefits cap – that now hits any family with 3+ children - this cut hits working families too.	
	Universal Credit & JSA	<b>Under 21s - Youth Obligation:</b> Unemployed young people to get intensive support from Day 1 to find work. After 6 months must either: <ul style="list-style-type: none"> <li>apply for an apprenticeship; or</li> <li>gain other work based skills; or</li> <li>go on a mandatory work placement</li> </ul>	Life as a jobseeker becomes more difficult for under 21s. Extra support may be helpful or simply increase targeting and sanctions. Under 21s will <b>not</b> gain from increases in the National Minimum Wages, as these are reserved for over 25s, though they may get increased employment opportunities by undercutting those turning 25	Another round of "blame the victim" special measures are reserved for citizens under 21, through higher conditionality pressures and compulsory work at benefit rates.	
			Start of of new <b>Work and Health Programme</b> replacing the Work Programme / Work Choice	Promises a more effective support and better outcomes, as and when old contracts expire. See also under entry for April 2016	See under entry for April 2016
	Universal Credit & ESA	Removal of the <b>UC limited capability for work element</b> and <b>ESA Work Related Activity Component</b> for new claims. Those linking back to old claims or still in assessment period after April 2017 are unaffected. The category/group and sanctions still remain  <b>Cut of £640 million by 2020</b>	People with LCW will get no more money than jobseekers however long they are on benefit. The change creates a perverse incentive not to try work that might lead to loss of LCW status, for fear of not being able to return. A single pre April 2017 claimant on ESA may have an applicable amount of up to £179.75 whereas a post April 2017 UC claimant will receive the equivalent of £73.10. A big hit for those with long term health issues.	The policy justification is to remove a perverse incentive to claim ESA/UC with LCW rather than as a jobseeker, though no evidence is offered. Besides the gateway to "limited capability" is guarded by the WCA. Rather the change creates its own perverse incentives: not to attempt work and give up LCW or to claim JSA or IS inappropriately to access disability premium instead. This change reneges on the ESA "welfare to work" new deal: to pay long term additions early in exchange for some work related activity. The conditionality and sanctions threat remains, but the incentive is removed.	
	Bereavement Support Payment	From April 2017, BSP replaces current bereavement benefits with (amounts to be confirmed) <ul style="list-style-type: none"> <li>a lump sum of £2,500 plus 12 monthly payments of £150 for those without children</li> <li>a lump sum of £5,000 plus 12 monthly payments of £400 for those with children.</li> </ul> Tax free, ignored for UC, not variable by age, simpler 1-year NI contribution, not lost on a new partnership	A less complicated merged system than the current mix of Bereavement Payment, Bereavement Allowance and Widowed Parents Allowance. A small cost saving with current system  There will be some winners and some losers – the latter being among those receiving WPA over a number of years while being main carer for a child or qualifying young person	Reinforces the view of bereavement payments as a short term support to cushion the financial shock post bereavement. This time-limiting previously only applied to Bereavement Allowance, introduced to make extension to bereaved men cost neutral. WPA was an important preventer of poverty among children who had lost a parent, but withdrawal after one year moves away from insurance towards relief of poverty through other benefits	
April 2018	Housing Costs	Support for mortgage interest to be in the form of a loan to be repaid on sale of the house	Support given could push claimants into negative equity when their property is finally sold.	Given that the waiting period is so much longer and no help when in employment this may not have such a big impact!	

Date	Benefit	Change	Impact	Analysis
June 2018 to March 2021	Universal Credit (managed migration)	<p><b>Managed Migration begins</b></p> <ul style="list-style-type: none"> <li>Following the full rollout to new claims, remaining claimants of the “legacy benefits” – will start to be switched over to UC by JC+</li> <li>These claimants will get transitional protection if the UC amount due is lower than their previous benefit</li> <li>TP can be lost if a major change in circumstances.</li> <li>Aim is to complete the migration of most people to UC by March 2021. Once completed, the legacy benefits will disappear.</li> </ul>	<p>The late start to managed migration now means most “legacy benefit” claimants will either have switched to UC by “natural migration” before June 2018 or will do so before their case is selected for a “managed migration” They will not get any transitional protection with serious potential losses for WTC claimants and those with disabilities.</p> <p>Those who do will get TP may have a significant part of their UC as a transitional addition. This means many years without any benefits increases and a risk of sudden falls if TP is lost. For those with a variable income (meaning UC entitlement goes up and down from month to month) TP will be lost in a matter of months. A key advice issue will be whether it will be better to hold off on any “natural migration” to at least hold on until transitional protection is available</p>	<p>The Government continue to overstate the degree of protection, to divert criticism of cuts, especially in the wake of the U-turn on the April 2016 Working Tax Credit cuts. The pain will just be delayed as it may hit just as sharply if they switch to UC without protection.</p> <p>UC now hopes to complete its takeover of “legacy benefits” by March 2021 ... Next steps - and cuts – may be around ideas of merging Child Benefit, Contributory ESA and Carers Allowance into UC.</p> <p>UC has become a lot tougher than its original concept. In 1946, the first Secretary of State for Health and Social Security, Aneurin Bevan said “we are at last laying to rest the too long unburied corpse of the Elizabethan Poor Law” He may have spoken too soon ...</p>
end of 2018	State Pension Age	<ul style="list-style-type: none"> <li><b>Nov 2018</b> - phased increase in women’s pension age completed with pension age equalised at 65</li> <li><b>Dec 2018 to 2020</b> – pension age rises to 66</li> <li><b>2026-8</b> rise to 67 brought forward</li> </ul> <p>then future increases informed by reviews of longevity statistics to take place c. every 5 years or so - the first will report by May 2017</p>	<p>More competition on job market as more older people need to stay in employment. Many would want to stay on and be valued experienced employees</p> <p>Others may struggle to meet growing demands of job or struggle with processes e.g. WCA criteria or JSA conditionality and face a higher risk of sanctions. Pension industry expectation is an increase by one year every 7 years 7 years to reach a pension age of 73 by 2060.</p>	<p>Both men and women now will either have to show e.g. Job seeking activity or meet ESA requirements up to 65 and beyond.</p> <p>A growing potential for poverty in old age if someone’s earning power diminishes or they face sanctions. Some will benefit from a single tier pension, but others may have to wait longer for less, as changes are cost neutral. Other options to defuse the “demographic time bomb” might include supporting people to have children or encouraging immigration.</p>