

Southdown

Financial Inclusion Team

Newsletter



We are all still being affected by the cost of living crisis and this is having an even bigger impact on those on low incomes. In this newsletter, in addition to our usual benefit updates, we bring you a summary of the Spring Budget announcements and share information with you about where further help is available.

This information is correct as at 6 April 2023.



Spring Budget

April 2023

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Budget Announcements

On 15th March Chancellor Jeremy Hunt delivered his Spring Budget statement outlining his plans for 2023 and beyond. The main welfare benefit news headlines:

At a Glance!

- DWP to reform Work Capability Assessments from 2026/7 to encourage easier transition to work for people with health conditions
- Increased focus on moving all benefit claimants back to work
- More help with childcare costs including 'up front' Universal Credit payments
- A further package of Cost-of-Living Payments due in 2023/24 (see table in this newsletter).
- Three month extension to the Energy Price Guarantee to the end of June / price cut for prepayment meter customers from July

- Expansion of **Skills Bootcamps** which are designed in partnership with local employers to help fill job vacancies.
- Extension of **Train and Progress (TaP)**, which extends the period of full-time training that UC claimants in the Intensive Work Search regime can take part in.



Increased Conditionality for Parents



New measures will require Universal Credit claimants who are lead carers of children aged one or two to meet with a Work Coach more regularly in order to prepare for work. Additionally, lead carers of children aged three to twelve will be supported to increase the number of hours they are expected to search or prepare for work each week.

Although no date has been announced for when this will take effect, we understand that it will be sometime in 2023.

Increased Conditionality for Workers

Universal Credit claimants are normally expected to spend 35 hours a week looking for work. However, a lower number of expected hours applies in some cases, for example, someone with a disability or caring responsibility. The amount of hours a claimant is expected to work is agreed with their work coach in their 'claimant commitment'.



From January this year, the 'expected' hours requirement increased from 12 to 15 per week. This means that work search and work availability requirements cannot be imposed where a claimant is working at least 15 hours per week at national minimum wage.

Where a claimant is not meeting their required hours, the DWP are able to apply a more 'intensive labour market regime' to their conditions.

The DWP have announced that they will be increasing this threshold from 15 hours to 18 hours per week although the date for this change has yet to be announced.

Universal Credit Childcare Support

From July 2023, childcare costs will be paid upfront to parents on Universal Credit moving into work or increasing their hours.



The maximum Childcare Costs Element will be increased to £951 for one child and £1,630 for two or more children.

As yet, there has been no mention of increases to the figures used for Tax Credits.

Free Childcare extension

As announced in the Spring Budget, the current free 30 hours of childcare available to some working parents, will be available to children from the age of nine months, up until they start school.

The government are also increasing the funding rate for all free hours. It is anticipated that this will take 3 years to implement.

Benefit Increases from April

Housing Benefit, Income-Related ESA, Income Support, Income-Based Jobseekers Allowance (JSA)

The main rates for Housing Benefit, Income-Related ESA, Income Support and Income-Based JSA will increase by 10.1% and be rounded to the nearest 5p.

Tax Credits

The main rates for Tax Credits will increase by 10.1% and be rounded to the nearest £5 – except the Family Element (abolished in 2017) which is fixed at £545 a year for those who still receive it, and the Childcare Element which is 70% of eligible childcare costs up to £175 a week for one child or £300 a month for two children. The cap on the Childcare Element has been fixed since 2005.



Universal Credit

The main rates for Universal Credit will increase by 10.1%.

Work allowances and Housing Costs Contributions will also increase by 10.1%.

The normal UC Child Element increases by 10.1%.

The UC Childcare Element is tied to Tax Credit and is fixed to the same cap as the Childcare Element in

Working Tax Credit. So, claimants can receive 85% of eligible childcare costs for costs up to £646.35 a month for one child or £1108.04 a month for two children. These thresholds are due to rise in July 2023 (see childcare support above).

The Benefit Cap

For the first time since 2016, the Benefit Cap will increase. It will increase in line with CPI (10.1%) meaning capped households should benefit from the increase to benefit rates.



Local Housing Allowance

LHA rates will not increase in April – this means that many claimants living in private rented accommodation will not see an increase to their Housing Costs Element in Universal Credit or Housing Benefit in April 2023 even though their rent may have increased.

State Pension and Pension Credit

Both State Pension and Guarantee Pension Credit will increase by 10.1% in April.

Other benefits

Other benefits that will increase by 10.1% are:

- Disability benefits (i.e. Personal Independence Payment (PIP) / Disability Living Allowance (DLA) / Attendance Allowance (AA) / Industrial Injuries Disablement Benefit (IIDB).
- Carer's Allowance
- Statutory payments (i.e. Statutory Maternity Pay, Adoption Pay, Sick Pay etc)
- Child Benefit
- Guardian's Allowance

National Minimum Wage from April

16-17 years	£5.28
18-20 years	£7.49
21-22 years	£10.18
25 years +	£10.42 - (National Living Wage rate)

Welfare Reform



Managed Migration update

Managed Migration is the final phase of the rollout of Universal Credit. This takes place when the DWP contact those who are still claiming legacy benefits to notify them that their benefits will be ending, and inviting them to claim Universal Credit instead.

As we understand it, a 'migration notice' will be sent to the claimant and this will notify them that they have to claim Universal Credit by a certain 'deadline' date. We believe this is usually three months from the date of the notice. The claimant's legacy benefit will stop on their 'deadline date' whether they have claimed Universal Credit or not.

The process has already started in some selected areas of the country although we anticipate that each area will receive a notification approximately three months in advance.

The DWP's current plan is to move all households claiming legacy benefits across to Universal Credit by the end of 2029 using the following timetable:

Managed Migration Timetable

2023/24 – Tax Credit claimants only

2024/25 – All other Tax Credit claimants and those on Income Support, Income-based JSA or just Housing Benefit

2028/29 – All remaining income-related ESA claimants

Better off on UC?

Claimants are still able to make a claim for UC if they believe that they will be better off. This is most likely to apply to claimants who are in the Support Group of ESA but who do not have a Severe Disability Premium included in their award. Also, since the government reduced the earnings taper in the last budget, people who are working may now also be better off on Universal Credit.

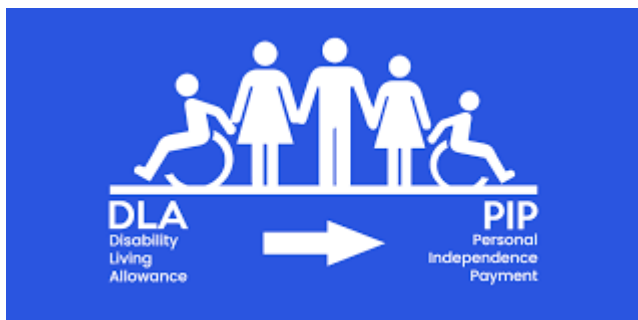
***Important:** Claimants should always seek advice from a benefits expert before making a claim to UC as they will not be able to return to legacy benefits once the claim to UC has been submitted.



Housing Benefit to Pension Credit migration delayed

The DWP's plan to scrap pension age Housing Benefit and replace it with a Housing Element in Pension Credit has now been pushed back to April 2028. This means that state pension age claimants and 'protected' mixed age couples' will be able to make new claims for / remain on Housing Benefit.

DLA to PIP migration delayed



The full transfer of DLA claimants to PIP has been delayed several times and it is now confirmed that this will not restart until April 2028.

The DWP are experiencing a high number of new PIP claims and want to prioritise these assessments. A working age DLA claimant may still need to make a claim for PIP if they reach the end of a fixed period DLA award or have a change in their condition that would affect their rate of payment. They could also choose to make a claim for PIP if they think they will be better off.

Other Changes

Loans for mortgage interest for UC claimants

From April 2023 UC claimants can apply for a loan to help pay their mortgage interest after three months on UC (previously nine months). In addition, entitlement to this will no longer end if they have any earned income in a Monthly Assessment Period.



Bereavement Support Payment change



Changes to the rules for Bereavement Benefits took effect on 9th February 2023. Before then only those whose spouse or civil partner had died, and who met the other qualifying conditions, could make a claim for Bereavement Benefits.

Following a successful court case, Bereavement Support Payments are now available to claim by bereaved cohabiting parents where they are eligible for Child Benefit at the time of their partner's death.

Cost of Living Support 2023/24

Cost of Living Payments 2023—2024

What is it?	Who gets it?	Eligibility	How is it paid?	How Much?	When?
Cost of living Payment	<u>In receipt of:</u> Universal Credit Income Support Income-related ESA Income-based JSA Child Tax Credit Working Tax Credit Pension Credit	Must have entitlement to benefit between 26/1/23 and 25/2/23 to qualify for 1st payment 2nd & 3rd qualifying dates to be announced	Direct into bank account—no need to apply	£900 3 payments 1 st - £301 2 nd - £300 3 rd - £299	1st pymt between 25/4/23 to 17/5/23 Tax Credit claimants – 2-9 th May 2 nd pymt Autumn 2023 3 rd pymt Spring 2024

Disability Cost of living Payment	<u>In receipt of:</u>				
	AA / PIP / DLA Constant Attendance Allowance Armed Forces Independence Pymt War Pension Mobility Supplement	Must have entitlement to benefit on qualify date (TBC)	Direct into bank account—no need to apply	£150	Summer 2023
Pensioner Cost of living Payment	Have reached State Pension Age (SPA)	Be SPA by 25 Sept 2023	As additional amount with Winter Fuel Payment	£300	From Nov 2023

Watch out for Scams!



Customers who are entitled to the **Cost of Living Payment**, the **Disability Cost of Living Payment**, and / or the **Pensioner Cost of Living Payment**, will **not** be contacted by the DWP or HMRC to provide any personal details. Payments will be made automatically into their bank account.

The DWP and HMRC already have all the information they need to make payments. Customers should be vigilant for potential scams and not respond to emails, texts, phone calls etc from anyone asking for information. If unsure, they should contact the DWP or HMRC directly!

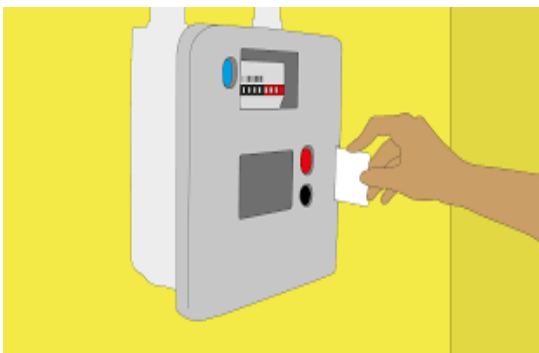
Additional Government Help

Energy Price Guarantee extension

This is the previously announced measure which caps the unit price of gas and electricity so that the typical household pays the equivalent of £2,500 per year until 31 March 2023.

As announced in the Chancellor's Spring Budget, this scheme has been extended until the end of June 2023.

Energy bills will still be higher or lower depending on how much energy is used - for example energy bills will still be lower in a well-insulated home that uses less energy.



Prepayment Meters Price Cut

As an extension to the energy price guarantee, the Chancellor announced that prepayment meter customers will have their prices cut from July 2023.

From this date, customers should not be charged a higher rate than those currently paying by direct debit.

Household Support Fund

The Household Support Fund has been delivered through local authorities since October 2021 when it was set up to 'provide a lifeline for those at risk of struggling to keep up with their bills over the winter'.

The government have confirmed that an extra £1 billion will be provided to enable the extension of the Household Support Fund in England over 2023/24.



This is discretionary help and administration of the fund will vary depending on the local authority area in which a person lives. They can find out about eligibility and how to access the fund through their Local Authority website.

Winter Fuel Allowance

Claimants can get this if they or their partner are Pension Credit age or over - regardless of income. If already on a social security benefit, payment should happen automatically - if not, they need to claim. Payments vary from £100 to £300 depending on circumstances. More information can be found on Gov.UK website:

<https://www.gov.uk/winter-fuel-payment>



Cold Weather Payments

This is an automatic £25.00 a week payment when the temperature falls below 0 for seven consecutive days. Claimant must:



- be on Universal Credit, Income Support or Income Based JSA or Income Related ESA or Pension Credit (either type) AND
- be either: Pension Credit Age or over, or someone in the household is disabled, or they are responsible for a child under five (disabled child can be any age).

Further Support with Energy Costs

Warm Home Discount Scheme: £140 towards energy bills!



Applicants could get £140 off their energy bill under the Warm Home Discount Scheme. In most cases, successful applicants will need to be in receipt of certain welfare benefits.

This scheme is offered through most energy companies, but check with

supplier. Applications are usually taken from October and the discount is credited to the energy bill the following March.

LEAP – Local Energy Advice Partnership

People on a low income and vulnerable to the cold could be eligible for support through the council-endorsed LEAP scheme.

By meeting the broad eligibility criteria they can qualify for a free home visit, energy saving advice and measures such as LED light bulbs and draught proofing. Advisors can also help to access other support including grants for central heating.



Where to get help with energy debt



Customers who are struggling to pay their energy bills (or to top up pre-payment meters) should contact their energy supplier as soon as possible. Suppliers have an obligation to help customers pay for their energy and any debt at an amount that they can afford.

It is particularly important to speak to someone if anyone in the household is vulnerable, for example, if there are young children, elderly people or people with disabilities living with them. Most energy suppliers have extra services for vulnerable customers.

If customers have debts with their utilities, most companies have access to their own grants or debt advisors to help pay off these debts.

The following energy suppliers offer grants to their customers:

- British Gas Energy Trust - <https://britishgasenergytrust.org.uk/>
- Scottish Power Hardship Fund - <https://www.sedhardship.fund/>
- Ovo Energy Fund - <https://www.ovoenergy.com/help/debt-and-energy-assistance>
- E.ON Energy Fund - <https://www.eonenergyfund.com/>
- E.ON Next Energy Fund – <https://www.eonnextenergyfund.com/>
- EDF Energy Customer Support Fund
- <https://www.charisgrants.com/partners/edf-energy/>
- Bulb Energy Fund - <https://help.bulb.co.uk/>
- Octopus 'Octo Assist Fund' - <https://octopus.energy/blog/struggling-to-pay/>

If customers can't get a grant from their own supplier, they should check if they can get a grant from the British Gas Energy Trust. These grants are available to anyone - they don't have to be a British Gas customer. However, to qualify for help through the Trust, we understand that the customer will need to have received debt / budgeting advice from an accredited agency prior to receiving a grant.

Check out the following useful sites:

<https://energysavingtrust.org.uk/hub/quick-tips-to-save-energy/>

<https://helpforhouseholds.campaign.gov.uk/>

Social tariffs for broadband and phone packages



Social tariffs are cheaper broadband and phone packages for people claiming Universal Credit, Pension Credit and other means-tested benefits. Some providers call them 'essential' or 'basic' broadband.

They're delivered in the same way as normal packages, but at a lower price. Amid rising living costs, Ofcom is encouraging companies to offer social tariffs to help customers on low incomes.

According to the Ofcom site, a social tariff can help in the following ways:

- **It's available to those on a variety of benefits.** If someone in the household claims Universal Credit, they could switch to any of the tariffs available.
- **It's cheaper than a regular package.** Current prices range from £10 to £20.
- **Fast, unlimited broadband.** Most tariffs offer superfast broadband at speeds over 30 Mbit/s.
- **Pay next-to-nothing to get set up.** If customers do have to pay any setup costs, these should only be small. The provider should explain before signing up.
- **It could cost nothing to switch.** If the provider offers a social tariff, customers can switch to it at any time, free of charge.
- **The price won't go up mid-contract.** Customers won't pay any more than what is agreed at the start of the contract.
- **It costs nothing to leave.** Customers won't pay a fee to leave the tariff before the end of their contract.

More information and list of providers is available at:

<https://www.ofcom.org.uk/phones-telecoms-and-internet/advice-for-consumers/costs-and-billing/social-tariffs>

<https://www.moneysavingexpert.com/compare-broadband-deals/broadband-social-tariffs/>

Debt Concerns?



Watch out for Loan Sharks!

With the cost of living crisis bedded in, debt is on the increase creating an ideal opportunity for loan sharks to operate by offering illegal loans to vulnerable people.

Loan sharks lend money without authorisation from the Financial Conduct Authority (FCA), they will provide very little paperwork and often work from a residential address. Their interest rates are extremely high, exceeding those charged by payday loan companies.

If you or someone you know is a victim of an illegal money lender – call the @LoanSharkNews helpline **0300 555 2222** for emotional support, information and guidance. Anything you tell the team will be treated in the strictest confidence and you can remain anonymous. The loan shark won't know they're being investigated. For more information visit: <http://bit.ly/2Q0Yej9>

Access free one-to-one help

Sadly, due to the current crisis, more people are finding themselves struggling with debt.

Once identified, debt can feel unmanageable and overwhelming. However, it is important to remember that no debt problems are unsolvable and there's a range of great, free, non-profit debt counselling agencies offering one-to-one help.



These include:

Money Advice Plus

Brighton area - Visit: www.moneyadviceplus.org.uk/ or call: **08081 963699**

Citizens Advice: <https://www.citizensadvice.org.uk/about-us/contact-us/contact-us/contact-us/>

Money Helper - Visit www.moneyhelper.org.uk/en where you can also put in a request online for an adviser to give you a call.

National Debtline - visit www.nationaldebtline.co.uk or call the helpline on **0808 808 4000**.

Step Change Debt Charity www.stepchange.org or call the freephone helpline on **0800 138 1111**.

Christians Against Poverty <https://capuk.org/>

Money Saving Expert <http://www.moneysavingexpert.com/>

Breathing Space Scheme reminder



Also known as the Debt Respite Scheme, Breathing Space will give people who have problem debt the right to legal protections from creditor action for a defined period. The idea is that this will give people time to seek advice and potentially enter a debt repayment scheme.

There are two types of breathing space: a **standard** breathing space and a **mental health crisis** breathing space.

A standard breathing space is available to anyone with problem debt. It gives them legal protections for up to 60 days. The protections include pausing most enforcement action and contact from creditors, and freezing most interest and charges on their debts.

A mental health crisis breathing space is only available to someone considered to be in mental health crisis and who is receiving NHS mental health treatment when they apply to the scheme. It lasts as long as the person's treatment, plus 30 days (no matter how long the treatment lasts).

A breathing space can only be started by:

- a debt advice provider who is authorised by the Financial Conduct Authority (FCA) to offer debt counselling
- a local authority (where they provide debt advice to residents)

Thank you all for taking the time to read our newsletter and we hope that you find this helpful!

Please be aware that this information is correct as at the 6 April 2023 and is subject to change.