

FACTSHEET

Welcome to the Spring 2022 Welfare Benefits Factsheet. As we begin to emerge from the lockdown restrictions, we start off with a look at the impact of COVID-19 on households. A very sensitive subject, which has touched and influenced everyone's budgets, decisions and forward planning for the past two years.

We have then provided an overview of some of the financial support and advice available for those who need it and how to apply.

Corona Virus and Benefits – The impacts.

Research from (SIG members Hill and Webber's (2021) found that families on a low income who were already experiencing financial difficulty, were less well-prepared to cope with the financial impacts of COVID-19.

It also became evident that the pandemic has had a greater impact on particular groups, in terms of race, disability and gender. Families on a low income have routinely experienced increased costs due to having children at home during periods of school closures, and higher utility and food bills, with strong evidence that families with children have experienced greater hardship.

The government introduced new measures to cope with the steep rise in the number of people suddenly exposed to drops in income, newly unemployed and eligible for Universal Credit (UC) or other social security support.

The pandemic has also highlighted the importance of local and emergency support, as record numbers of people have turned to local welfare assistance schemes provided by their local council, or food banks. Having to access a food bank to secure food for themselves and their children was something that was described as a "lifeline" by parents and carers, but it also brought with it feelings of stigma, shame, and guilt.

Croydon council is administering the governments household support fund through the Discretionary support team various departments. More information below.

DWP launch new jobs mission to get 500,000 into work

A new target to move half a million people into jobs by the end of June has been launched, under ambitious government plans to turbo-charge the national recovery from COVID-19.

New jobs mission to get 500,000 into work - GOV.UK (www.gov.uk)

The DWP stated 'We currently have 1.2 million vacancies available and hundreds of thousands of people on Universal Credit who are actively looking to make a fresh start in work. That is why we are launching Way to Work to accelerate connecting current opportunities and people searching for work.'

To do this, we are providing the following:

- Claimants will spend more time with their work coaches. This will improve the work coach's understanding of their needs and their suitability for certain roles.
 - Jobcentres will be working with a diverse range of employers, of differing sizes and sectors. Work coaches will be able to match claimants to the type of employer.
 - For those feeling anxious, work coaches will offer a variety of ways and platforms claimants can be introduced to prospective employers, including recruitment days, physical and virtual job fairs and other events.
 - The recruitment process will be simplified and shortened.
- Contact your local job centre for further information.

Energy support grants

- Household support fund
- Council tax rebate

Household support fund

The government has provided the council with additional funding under its Household Support Fund. It is a one-off cash payment, paid through PayPoint to the tenant. This funding is being distributed to households with children on free school meals and households in financial difficulty as a result of the rise in cost of living. The council is also providing additional support for households struggling to pay for fuel or choosing to self -disconnect in order to purchase other essential items.

The HSF grant can help to buy:

- food
- gas or electricity top-ups
- other essentials items (including beds and essential white goods)

Eligibility

To be considered you must be:

- a Croydon resident
- over 16 years of age
- in urgent financial need and unable to get support elsewhere
-

What you need before you apply

You will need to submit the following evidence/documents with your application form: identification, such as birth certificate, passport, or driving license
proof of one-month bank statement for all bank accounts – bank balance to include the date submitting application form.

- To apply or refer someone, please download the [Household Support Fund application \(DOC, 32KB\)](#).
- Send applications to the Discretionary Support Team at dhp2@croydon.gov.uk.

- Please send your supporting evidence with your application to prevent a delay in processing your application.
- Croydon are accepting self-referrals or referrals made by any frontline professionals who provide support to your household.
- If you are requesting assistance for food vouchers during school holiday time and your child attends a Croydon school and is in receipt of free school meals, you should make contact with your child's school.
- **The HSF grant will end on 31 March 2022**
- <https://www.croydon.gov.uk/benefits/household-support-fund-hsf>

Council tax rebate £150

Last week, Ofgem raised the rates a supplier can charge for gas by 54% meaning the average annual bill per household will jump from £1,277 to £1,971. The government announced a package of financial relief to mitigate the impact of these substantial increases in energy prices from April 2022. About 20 million households in England will get £150 off their council tax bills from April 2022 if they are in Band A to D.

In most cases you DO NOT have to apply for the discount as the local authority will automatically identify those who are eligible. For households that pay their council tax using a direct debit, the local authority will transfer the payment into the bank account using details already held on its system. The £150 payment is a one-off and non-repayable.

The most recent information can be found on the Governments website Government support for energy bills and the cost of living: factsheets (GOV.UK)

If you pay your Council Tax by direct debit the council will make payment to the bank account you use to pay your Council Tax.

There will only be one payment per household. For those who need help with their energy bills but are not eligible for the £150 rebate, local authorities will receive further discretionary funding to help.

The Energy Bills discount scheme will provide around 28 million households in the UK with an upfront discount on their bills worth £200. Energy suppliers will apply the discount to domestic electricity customers from October 2022, with the Government meeting the costs. The discount will then be automatically recovered from people's bills in equal £40 instalments over the next five years. This will begin from 2023, when global wholesale gas prices are expected to come down.

It is important to note that the £200 offset payment due in October 2022 is attached to the property, not to the tenant. For example, a property where the occupant moves on, dies or goes into residential care after getting the £200 would still 'owe' the "£40 a year for 5 years levy", which will have to be paid by the new occupants. Where the new occupants are people who are first-timers into the housing market, they will be responsible for the charge, despite not having benefitted from the payment.

Managed vs natural migration

Definition: managed migration - is the DWP term for the process by which people claiming legacy benefits, (but whose circumstances have not changed), will move to Universal Credit—at a time determined by DWP.

People moving to Universal Credit via managed migration will include those with particularly complex needs such as disabled people (including severely disabled people), people with chronic health conditions, and people who are long term unemployed.

Definition natural migration - Claimant chooses to make a claim for UC. For example:-

- They have a change of circumstances which ends their legacy benefit claim,
- They still need to claim support and they are not prohibited from claiming UC
- They need to make a claim for another benefit that UC has replaced, for example, housing benefit.

Definition Legacy benefits - Legacy benefits are benefits that pre-exist and were replaced by Universal Credit:

Jobseeker's Allowance (JSA)

Employment and Support Allowance (ESA).

Working tax credit (WTC)

Child Tax Credit (CTC)

Housing Benefit (HB)

Income Support (IS)

These benefits are gradually being phased out in favour of Universal Credit.

Losers with migration

In order for disabled students to be able to apply for Universal Credit, they must have been assessed and found to have 'limited capability for work' (with or without an assessment of 'limited capability for work-related activity') under Universal Credit or Employment and Support Allowance rules prior to starting their course of education and be in receipt of Personal Independence Payment (PIP), Disability Living Allowance (DLA) or Attendance Allowance (AA) at the material time.

A new High Court ruling (Judgement dated 21.1.2022) has held that the overall loss of benefit income experienced by disabled claimants and claimants with disabled children when moving from 'legacy benefits' to Universal Credit under 'natural migration', is unlawful discrimination.

The claimants involved in this case were:

- disabled claimants who under the 'legacy benefit' system received the 'severe disability premium' (SDP) and the 'enhanced disability premium' (EDP) but in transferring on to Universal Credit, had only received compensation designed to compensate them for the loss of the SDP not the EDP; and

- a parent who under the 'legacy benefit' system received a much greater amount in Child Tax Credit for her two disabled children than she did under Universal Credit.

There was no immediate switch to UC, whereby all existing claimants of the benefits Universal Credit was set to replace (the so called 'legacy benefits') would be transferred overnight onto Universal Credit. This is why it was necessary to introduce a system of 'natural migration' and 'managed migration'.

The High Court could not see any justifiable reason for treating those who are required to migrate on to Universal Credit from the 'legacy benefit' system differently. There was, in effect, no justifiable reason as to why those who make the move under 'natural migration' should not get any transitional protection to compensate them for the loss in overall benefit income, whilst those who move / will eventually move under 'managed migration' will.

In the High Court cases the disabled claimants triggered 'natural migration' when moving home from one local authority area to another.

In the case of the mother who has two disabled children she triggered 'natural migration' when she and her boyfriend moved into the same household. We encourage anyone who feels that their case falls within this new ruling, to contact us or UC work coach as soon as possible.

Universal credit rule change

Amendment to the rule on the length of time Universal Credit claimants can limit their search to work in their existing field from 3 months to 4 weeks

A new rule change means that Universal Credit claimants will only be allowed to restrict their search for work to their existing occupation (or level of remuneration) for at most 4 weeks (rather than 3 months).

If they don't find work within that time, they risk being sanctioned if they don't extend their search to any available job that they are capable of doing. Benefit claimants who are sanctioned often face very difficult financial circumstances, including going without food, heating and other essentials.

Always speak with your work coach about any restrictions that you want to make around searching for work, as it is possible for them to make reasonable adjustments around health and childcare issues.

Post Office Card Account (POCA) closures

The DWP has notified customers who are receiving benefits or pensions payments into a POCA, that these accounts will now be closed asking them for details of their new bank account / credit union account so that their benefits and pensions can be paid into that alternative account.

It is understood that those who do not provide new bank account, will at some point automatically be moved over to the new Payment Exception Service (PES), which will deliver the payment of benefits using a digital voucher.

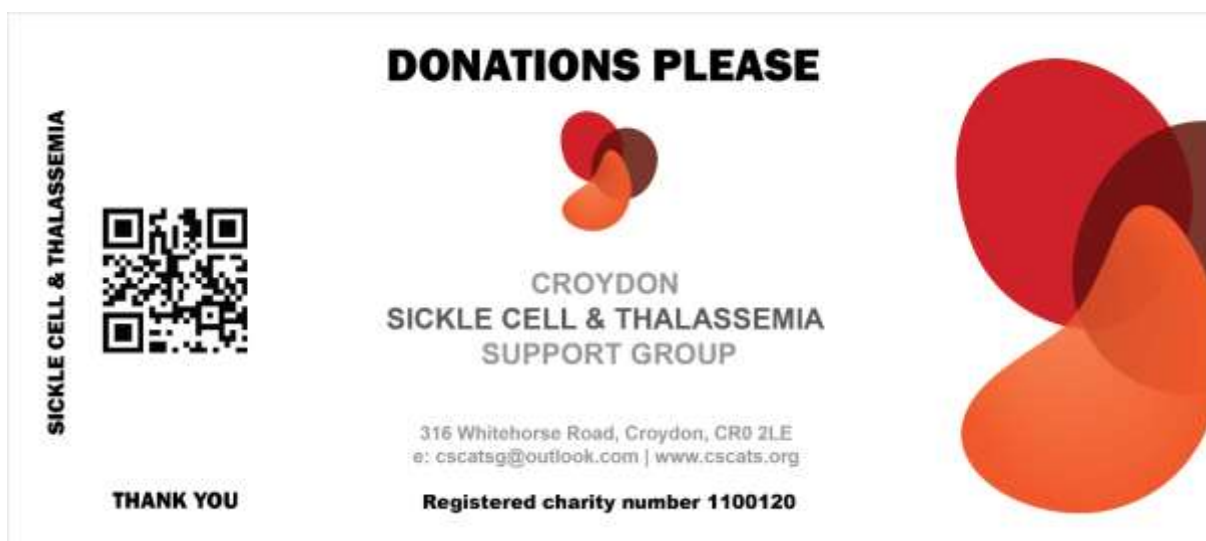
People can choose whether they receive the voucher via a text message, an email or a re useable plastic card.

Whilst it is understood that the POCA deadline is 30.11.2022 the DWP have committed to moving everyone off the POCA system by Summer 2022. There is a dedicated DWP customer service centre helpline for those who need help and

guidance on this matter. The number to contact is 0800 085 7133 (or Textphone: 0800 085 7146).


At the Autumn Budget:

- The National Living Wage will increase to £9.50 an hour from April 2022
- The cuts to the Universal Credit taper rate and uplift to work allowance of an extra £1,000 a year will support two million low-income families.
- Fuel duty has been frozen
- All alcohol duties have been frozen
- Doubled free childcare, providing working parents with up to 30 hours, worth up to £5,000 per child every year.
- The Government has also introduced tax-free childcare, providing working parents with up to £2,000 of childcare support a year. Under Universal Credit, parents can claim back up to 85% of eligible childcare costs, compared to 70% under the old system.




DONATIONS PLEASE

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