

Welfare Reform Changes 2015/16 and beyond - Impact on City of Lincoln and North Kesteven

The Change	Date of Change	Details
Pensioners Protected by Triple Lock	N/A	<ul style="list-style-type: none"> <li>All changes below do not affect pensioners</li> <li>They also have an increase in pensions and applicable amounts</li> </ul>
LHA Freeze	September 2015	<ul style="list-style-type: none"> <li>Frozen until 2020/21</li> </ul>
National Minimum Wage	October 2015 April 2016	<ul style="list-style-type: none"> <li>Rises by 50p in October 2015</li> <li>Moves to a National Living Wage (additional) 70p from April 2016</li> </ul>
Universal Credit Rollout (All data is as at 16 September)	30 November 2015	<ul style="list-style-type: none"> <li>The following Authorities will roll out with Live UC claims for Single customers (who would previously have claimed JSA) <ul style="list-style-type: none"> <li>- City of Lincoln</li> <li>- East Lindsey</li> <li>- North Kesteven</li> <li>- South Holland</li> <li>- West Lindsey</li> </ul> </li> <li>National roll out as follows: <ul style="list-style-type: none"> <li>- 2016 - new claims to legacy benefits will be closed down (date to be confirmed)</li> <li>- 2016-19 - Majority of the remaining legacy caseload will be moved over to UC - there are 700k still left (not including ESA)</li> <li>- 2020-23 - Estimated full roll out</li> </ul> </li> <li>Latest Figures <ul style="list-style-type: none"> <li>- 89,357 people were on UC as of 9 July 2015</li> <li>- Of these, 27,004 were in</li> </ul> </li> </ul>

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		employment (30%) and 62,248 were not
Discretionary Housing Payment funding to increase	April 2016	<ul style="list-style-type: none"> <li>Government will provide £800 million of funding for DHP payments over the next 5 years</li> </ul>
Applicable amount freezes for working age	April 2016	<ul style="list-style-type: none"> <li>Frozen until 2020/21</li> <li>Income may increase but applicable amounts will remain the same, resulting in less weekly entitlement</li> </ul>
Reduce backdating to 4 weeks	April 2016	<ul style="list-style-type: none"> <li>Current 6 months for working age and 3 months for pension age will be reduced to 4 weeks</li> </ul>
Reduced rents in social housing by 1% a year for 4 years	April 2016	<ul style="list-style-type: none"> <li>This will affect Housing Associations and Local Authority Housing stock</li> </ul>
Working Tax Credit work allowance reduction (approved in the House of Commons on 15 September 2015)	April 2016	<ul style="list-style-type: none"> <li>Currently, families can earn up to £6,420 per year before they start to see a reduction in their Working Tax Credit. From April 2016 this will be reduced to £3,850.</li> <li>This will result in a significant reduction in income for families whose wages fall within the two figures.</li> </ul>
Working Tax Credit Income Taper	April 2016	<ul style="list-style-type: none"> <li>At present, HMRC deducts 41 pence in every pound a family receives over the income threshold. From April 2016 the taper rate will</li> </ul>

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		increase to 48 pence per pound
Personal Allowance Increase - income tax	April 2016	<ul style="list-style-type: none"> <li>• Will increase to £11k</li> <li>• Governments ambition to increase the Personal Allowance further to £12,500 by 2020</li> </ul>
Child Benefit Freeze	April 2016	<ul style="list-style-type: none"> <li>• A freeze in child benefit amounts for the duration of the current Parliament, after which time it shall be updated by CPI</li> </ul>
Family Premium (Housing Benefit) to be withdrawn	April 2016 (Likely May 2016)	<ul style="list-style-type: none"> <li>• Withdrawal for new claims and new births</li> </ul>
Increased rent for those earning £30k or over	January 2017 (likely)	<ul style="list-style-type: none"> <li>• Social housing tenants with household incomes of £30k (£40k in London) and above will be required to "Pay to stay", by paying a market or near market rent for their accommodation</li> <li>• The additional rent collected (from that of the social rent to the market rent) will be used as follows: - <ul style="list-style-type: none"> <li>- For local authorities - the money will be passed back to the Exchequer</li> <li>- For Housing Associations - the money will be used to reinvest in new housing</li> </ul> </li> <li>• The local authority must pay the difference whether they collect it from the tenant or not</li> </ul>

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		<ul style="list-style-type: none"> <li>• Access to the household income and frequency of review has not yet been advised - it is unknown whether this will be through Housing team contacting customers, or RTI equivalent</li> </ul>
Removal of ESA WRA Component	April 2017	<ul style="list-style-type: none"> <li>• ESA Work Related Activity Component will be removed</li> </ul>
Removal of automatic housing support entitlement for 18-21 year olds	April 2017	<ul style="list-style-type: none"> <li>• For those who are out of work</li> <li>• This has been replaced by latest announcements on Residence: <ul style="list-style-type: none"> <li>- A 4 year residency rule will apply</li> <li>- where benefit is not paid for 4 years from the age of 18</li> <li>- This rule will also be linked with the PFA residency rule</li> </ul> </li> </ul>
Child Tax Credit	6 April 2017	<ul style="list-style-type: none"> <li>• Limit support to families to 2 children, so that any subsequent children born after the date of change will not be eligible for further support</li> <li>• Multiple births will be protected (triplets etc)</li> <li>• There will be protections for women who have a third child as the result of rape, or other exceptional circumstances (further details have not been released)</li> </ul>
Benefit Cap to be lowered	TBC	<ul style="list-style-type: none"> <li>• The cap will be lowered from £26k to £20k (£23k in London)</li> </ul>

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		<ul style="list-style-type: none"> <li>Exemptions will continue to apply for the most vulnerable disabled people (likely to be similar to those applied in the previous cap)</li> <li>Cap data to be issued to LA by DWP (date not yet confirmed)</li> </ul>
Review of lifetime tenancies in social housing	TBC	<ul style="list-style-type: none"> <li>Limit their use and ensure that households are offered tenancies that match their needs</li> <li>Ensure best use is made of the social housing stock</li> </ul>
Support for mortgage interest scheme into a loan	TBC	<ul style="list-style-type: none"> <li>Where interest is paid for those with a mortgage, this will be moved to a loan so that homeowners repay the financial support they receive</li> </ul>