APPENDIX D

Welfare Reform – Summary of main changes since 2011

2011

New rules applied for Employment and Support Allowance (ESA) assessments.

Child Benefit (CHB) frozen for three years from April.

Increase in housing benefit (HB) non-dependant deductions, and substantial restrictions to Local Housing Allowance (LHA):

- maximum four bedroom rate regardless of household size
- new maximum rates
- restricted from 50% to 30% of market rents in an area
- £15 excess rule removed

Discretionary housing payment (DHP) budget increased to £30m in 2011/12.

Triple lock introduced for state retirement pension, although winter fuel payments are reduced.

2012
Age threshold for LHA shared accommodation rate raised from 25 to 35.

DHP budget increased to £70m in 2012/13.

LHA rates frozen from April.

From May, lone parents on Income Support (IS) must claim Jobseeker’s Allowance (JSA) once their youngest child turns five.

Annual benefit uprating of 1% a year announced in Autumn Statement.

2013
CHB taxable for claimants with annual income above £50K.

DWP benefit appeal process revised, with the aim of reducing tribunal cases.

Council tax benefit replaced with localised Council Tax Support, with a 10% budget reduction.

Personal Independence Payment (PIP) starts to replace Disability Living Allowance (DLA) for people making new claims. PIP aims to reduce DLA spend by 20% by 2017.

DHP budget increased to £155m in 2013/14.

“Bedroom tax” reduces HB eligibility for under-occupying social housing tenants:

- by 14% for tenants with one spare bedroom
- by 25% for tenants with two or more spare bedrooms

From April, Universal Credit (UC) starts to replace HB, JSA, IS, ESA and tax credits with a single monthly payment, originally within Pathfinder areas in the north west of England.

LHA rates are pegged to the Consumer Price Index (CPI) rather than market rents.

Community care grants and most crisis loans are abolished and replaced by local welfare schemes.

From July, the benefit cap restricts the total amount of benefit a household can get, with HB reduced for households with benefit income above the cap limit:

- £500 a week for couples and families
- £350 a week for single people without children

In December, bedroom tax amended so an extra bedroom is allowed for disabled children who cannot share and for adults needing another bedroom for a carer.
Habitual residence test tightened to reflect future JSA restrictions for European Economic Area (EEA) jobseekers.

2014
In January, LHA rates updated annually, with maximum annual increase of 1%.
Habitual residence test reforms mean that:
• JSA for EEA jobseekers limited to six months
• EEA jobseekers and British nationals returning from more than a short period abroad cannot get JSA until they have been resident for three months
These rules are extended to CHB and Child Tax Credit (CTC) claims in July.
DHP budget increased to £165m in 2014/15.
Waiting period for JSA increased from three to seven days. More stringent job seeking requirements are introduced.
Lone parents on IS required to undertake work focused interviews once youngest child turns one, with mandatory work-related activity for lone parents of three and four year olds.
Rollout of UC to jobseekers with children begins in November.

2015
Total welfare spending (not all benefits are included) capped at £119.5bn for 2015/16.
DHP budget cut to £125m in 2015/16.
Independent Living Fund for disabled people closed.
Emergency budget proposes:
• Four year freeze for working age benefits from April 2016, including LHA rates
• Lowering benefit cap
• Tax credit and UC changes to limit support for families with more than two children, lower work thresholds and increasing taper rates

2016
New National Living Wage introduced in April.
DHP budget increased to £150m in 2016/17.
Government U-turns on cuts to tax credit work allowances (and taper rates) but retains these in UC. Non-disabled claimants without children get no work allowance.
HB backdating limited from six months to one month. HB family premium removed.
In November, benefit cap reduced for people already affected, and in December lower cap applied to all claims. New benefit cap limits are:
• £384 a week for couples and families
• £257 a week for single people without children
Supreme Court decides bedroom tax unfairly discriminates against disabled adults who cannot share a bedroom and disabled children who need extra carers.
Benefit cap exemptions for guardians and carers introduced.

2017
Extra bedrooms for adult partners who cannot share and disabled children with extra carers introduced in HB.
ESA Work-Related Activity component abolished in April.
DHP budget increased to £185m in 2017/18. DHP budget for Scottish authorities devolved to Scottish government.
Bereavement Support Payment replaces existing bereavement benefits in April.
Earnings threshold for benefit cap exemption increases from £430 a month to
£520 a month (equivalent to 16 hours a week work paid at National Living Wage).

Two child limit introduced for Child Tax Credit (CTC), UC and HB for children born after 6 April. Family elements in CTC and UC also removed.

No UC housing costs element payable for most people under 22.

Free childcare entitlement increases from 15 hours to 30 hours a week for working parents of 3-4 year olds in September.

Parents on UC are expected to look for work once their youngest child turns three.

2018

From April, Support of Mortgage Interest payments to be paid as a loan, with claimants repaying the loan when returning to work or selling their home.

From November, two child limit applied to UC claims, with families with more than two children no longer directed to claim CTC instead.

2019

Government expects UC to be available to all new claimants from July, with claimants on legacy benefits transferred to UC by March 2022.

Produced by Oxford City Council’s Welfare Reform Team (June 2017): NB** some technical changes to tax credits are omitted.
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