



CITYWEST HOMES

# Your guide to welfare reform

**The government is reducing the amount of Housing Benefit some people can claim.**

**This leaflet will help you find out:**

- **if you're likely to be affected**
- **what action you need to take**

**If you are affected by any of the three changes detailed in this leaflet, you can contact one of our specialist welfare reform project workers for details:**

**Central area**

Church Street, Lisson Green, Marylebone, St John's Wood  
**Yasman Emami** on **020 7245 2883**

**North area**

Maida Vale, Mozart, North street properties, Queen's Park  
**Richard Quarshie** on **020 7245 2884**

**South area**

Churchill Gardens, Grosvenor & Regency, Lillington & Longmoore, Millbank, Pimlico, Pimlico streets, Soho & Covent Garden  
**Norma Senior** on **020 7245 2885**

**West area**

Bayswater, Little Venice, Paddington Green, West street properties, Westbourne Park  
**Rochelle Benjamin** on **020 7245 2525**

**How do I manage a reduction in benefits?**

If you are affected by any of the changes, working out a household budget will help you to keep track of where your money is going and the best ways to manage your finances.

We have a leaflet called 'Dealing with Debt', available at your estate office, which has details on how to budget and your income adviser can help you complete a budget form. There is also a useful online budget planner at **[www.moneyadviceservice.org.uk](http://www.moneyadviceservice.org.uk)**.

# 1

## The under-occupation cap

From **1 April 2013**, the government is introducing a cap on Housing Benefit for working age tenants who are under-occupying their home.

### This could affect you:

- ✓ if you are over 16 and of working age
- ✓ if you are in receipt of Housing Benefit

### You will not be affected if:

- ✗ you or your partner are old enough to receive Pension Credits (those born before 7 October 1951).

We wrote to tenants that we think will be affected in December 2012, but if the number of people living in your household reduces, you may also be affected.

### Under the new rules, one bedroom is allowed for each of the following:

- ✓ every adult couple
- ✓ any other adult aged 16 or over
- ✓ any two children of the same sex aged under 16
- ✓ any two children aged under 10 regardless of sex
- ✓ any other child aged under 16
- ✓ a non-resident carer (the claimant or their partner has a disability and requires overnight care)

### Under the new rules, if you have:

- one spare room – your Housing Benefit will be cut by 14% of the rent
- two spare rooms – your Housing Benefit will be cut by 25% of the rent

If you are considered to be under-occupying, your Housing Benefit will be cut and you will need to make up the difference from other income. If you don't continue to pay your rent in full you will be in danger of losing your home.

## What choices are available?

### If you are under-occupying you can:

- ✓ move to a smaller property which matches your current household size
- ✓ make up the difference in rent from other benefits or income

## Cash incentive scheme

The council currently runs an incentive scheme where you can receive up to £3,000 for every bedroom given up, plus up to £2,000 towards removal and decorating costs. There is a limited amount of money available and it is on a first-come, first-served basis. To find out more contact Steve Payne at Housing Options on **020 7641 1000**.

## Housing Moves

Housing Moves is a choice based lettings scheme that allows social tenants to move to other parts of London. You can register and view details of all available properties at **[www.housingmoves.org](http://www.housingmoves.org)**.

## HomeSwapper

You can register with HomeSwapper, a free service that enables you to make contact with other tenants wishing to move throughout the UK. You can register at **[www.homeswapper.co.uk](http://www.homeswapper.co.uk)** or by contacting your estate office.

## What if I need a spare room for personal reasons?

If you think you need a spare room for personal reasons such as a disability or are fostering, you may be eligible for a discretionary payment to cover the capped amount. If you require a spare room for personal reasons you should contact your estate office for advice.

# 2

## The total benefit cap

The government is introducing a cap to limit the amount of money a working age household can receive in benefits. The cap will limit the amount of money to these households to:

- £500 per week for couples and lone parents
- £350 per week for single adults

### This could affect you:

- ✓ if you are over 16 and of working age
- ✓ are in receipt of Housing Benefit

### You will not be affected if:

- ✗ you are in receipt of Disability Living Allowance, Attendance Allowance, Industrial Injuries Benefit or the support element of Employment Support Allowance
- ✗ you get Pension Credit or Working Tax Credits

### Which benefits are included in the cap?

When added together, the benefit cap will limit the total income you can receive from the following benefits:

- Bereavement Allowance
- Carer's Allowance
- Child Benefit and Guardian's Allowance
- Child Tax Credit
- Employment and Support Allowance (except where it is paid with the support component)
- Housing Benefit
- Incapacity Benefit
- Income Support
- Jobseeker's Allowance
- Maternity Allowance
- Severe Disablement Allowance
- Widowed Parent's Allowance / Mother's Allowance / Widow's Pension

**If the amount you receive after these benefits have been added up is more than the cap allows, then your Housing Benefit will be reduced.**

## How do I find out if I am affected?

We wrote to any tenants that the Department for Work and Pensions (DWP) have told us may be affected in November 2012 to advise how much they might be capped by. You can also contact the DWP to find out more about the changes and the support you may be entitled to on **0845 605 7064** or textphone **0845 608 8551** for people with hearing or speech impairments. The helpline is open from 8am to 6pm Monday to Friday. You may also be affected if your circumstances change.

## How much will my Housing Benefit be cut by?

**This depends on how much you receive in benefits.**

### For example

If you are a couple or lone parent with dependents and you currently receive £550 when the benefits listed previously are added together, your Housing Benefit will be cut by £50 per week.

If you are a single person with no dependents and you currently receive £375 when the benefits listed previously are added together, your Housing Benefit will be cut by £25 per week.

## What can I do to avoid the benefit cap?

**The best course of action to avoid being affected by the benefit cap is to find employment.**

If you are in work but not eligible for Working Tax Credits, ask your employer for additional hours.

If you need help finding work, we have specialist welfare reform project workers (on page 2) who can refer you to someone who can help you get into work.

# 3

## Universal Credit

As part of the Welfare Reform Act, the government is introducing Universal Credit, a single payment that replaces means tested benefits. The government are still deciding on how the payment will work but here is what we know so far.

Universal Credit will combine means tested benefits (Income Support, Jobseeker's Allowance (income based), Employment and Support Allowance (income related), Working Tax Credit, Child Tax Credit and Housing Benefit) into one monthly payment.

### **This could affect you:**

- ✓ if you are over 16 and of working age
- ✓ are in receipt of Housing Benefit
- ✓ under the qualifying age for State Pension Credit

### **You will not be affected if:**

- ✗ you are in receipt of Pension Credit

Universal Credit is due to be introduced in October 2013. Existing Housing Benefit claimants are likely to be moved onto Universal Credit from April 2015.

A new payment called Housing Credit is being introduced which will replace Housing Benefit for pension age claimants from April 2014.

## How will claims be made and paid?

Claims will be administered by the Department for Work and Pensions and most claimants will be expected to claim online.

The benefit will be paid direct to the claimant on a calendar monthly basis, in arrears, to simulate a salary. Claimants will not be able to choose whether the rent element of their Universal Credit is paid to themselves or their landlord.

For council tenants that are currently in receipt of Housing Benefit, this means they will need to pay their full rent on time rather than Housing Benefit paying a portion of it direct.

Payments may be made direct to the landlord for vulnerable tenants and those in arrears.

**This is a big change for many council tenants so it is important to start preparing now.**

## What does this mean for me?

Tenants will need to set up a payment to make sure their full rent is paid on time. Tenants who do not pay their rent in full will be in danger of losing their home.

**This means some tenants need to consider doing the following:**

- ✓ open a bank account that enables you to pay your rent by direct debit
- ✓ improve your budgeting skills so that you can manage a monthly budget rather than a weekly or fortnightly budget
- ✓ make sure you have internet access as you will be expected to apply online

We can help you do this by advising you on the best bank account for you, offering you budgeting advice and telling you where you can access the internet if you do not have it at home.

Look out for information on financial management advice and courses that are aimed to help tenants prepare for the introduction of Universal Credit.

**CityWest Homes, 21 Grosvenor Place, London, SW1X 7EA**

Tel: **020 7245 2000** Email: **WRProjectWorkers@cwh.org.uk**