



# Welfare Reforms

**A handbook for GPs and other professionals**

**Health** and **Wellbeing** Board  
Hertfordshire

[www.hertsdirect.org/hwb](http://www.hertsdirect.org/hwb)

The Government has begun a very ambitious and far-reaching reform of the benefit system. The aims include making work pay and simplifying the way that welfare is delivered.

Some of the changes will mean that some claimants may see a reduction in what they receive or are able to claim which could impact on their physical and mental health and wellbeing. This in turn will impact on our children's and adults' services.

The Health and Wellbeing Board has summarised some of the key changes that professionals may need to be aware of, into this handy booklet and we felt that the changes are so far reaching and likely to have such an impact on primary care that a copy should be sent to every practice in Hertfordshire for information.

Much more detail on the reforms is available from the Department for Work and Pensions and the Hertfordshire Money Advice Unit (See pgs 9-10 for contacts)



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*Chair of the East and North Herts  
Clinical Commissioning Group*



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*Chair of Herts Valley  
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## Reforms and the impact

### Restrictions in Surestart Maternity Grants and abolition of Health in Pregnancy Grants

#### Will affect . .

Low income families who receive Maternity Grants and all pregnant woman who received the Health in Pregnancy Grant (HIPG)



#### What does the change mean?

A Maternity Grant is now usually only available for low income families if there is no other child under 16 in the household. The HIPG was abolished in Jan 2011 and affected approximately 14 000 new parents per year in Hertfordshire.



#### From when?

**January 2011**

## Changes to Housing Benefit under-occupancy reduction

### Will affect . .

Tenants of working-age living in social sector housing who claim housing benefit

This will mainly impact on certain groups and older couples in their 40s/50s where children have now left home.



### What does the change mean?

From April 2013, claimants will have their Housing Benefit reduced by 14% if they have one empty bedroom, by 25% if they have two or more empty bedrooms.

Tenants will either have to meet the additional cost themselves or move to smaller accommodation if it

is available, but some help (Discretionary Housing Payments) may be available from local councils.



### From when?

**April 2013**

## Total Benefit Income Cap

### Will affect . .

Working age families and single claimants. Families or individuals in receipt of certain benefits such as Disability Living Allowance, Working Tax Credit, Employment Support Allowance (Support Group), are exempt from the cap.



### What does the change mean?

From April 2013, the total benefit income is to be 'capped' at £500 per week for families or £350 for individuals. This includes Housing Benefit as well as Child Benefit, Carer's Allowance, Income Support, Child Tax Credit and most other benefits. Affected families may have to seek alternate accommodation (cheaper or less spacious) and may require advice and assistance about finding work, childcare and benefits. Some help may be available through Discretionary Housing Payments from local councils.

### From when?

**April 2013**

### Will affect . .

All non pensioner households who get help with council tax.

### What does the change mean?

From April 2013, working age claimants will have to pay something towards council tax, including people who previously received a full rebate. The contribution is likely to be between 10% and 30% of their council tax. Each district is devising its own scheme so Hertfordshire may end up with 10 different schemes. All districts are required to give protection to pensioners - some are giving protection to disabled adults and/or families with children aged under 5.



### From when?

**April 2013**

## Changes to Community Care Grants and Crisis Loans

### Will affect . .

People on certain means tested benefits and others in a crisis situation.

### What does the change mean?

After April 2013, the Social Fund section at DWP will no longer make emergency grants and interest-free loans for household goods, clothing, bedding, replacement of lost or stolen items, living expenses etc. The money that would have been spent will be transferred to local councils such as Hertfordshire County Council. They are devising a local scheme to provide financial advice, essential furniture and lower-cost loans.



### From when?

**April 2013**

## Replacement of Disability Living Allowance (DLA)

### Will affect . .

People aged 16-64. It does not affect those under 16 or anyone getting Attendance Allowance.

### What does the change mean?

From June 2013, DLA is being replaced, over a three year period, by a new benefit called Personal Independence Payment (PIP). This will require a new medical assessment, conducted on behalf of the DWP.



This may result in service-users seeking advice, assistance and supporting medical evidence, especially if their PIP claim fails (around 20% are expected to lose entitlement, which equates to about 8,000 individuals in Hertfordshire). The change may also mean loss of entitlement to extra means tested benefits that depended on DLA, as well as some carers losing Carer's Allowance.

### From when?

**June 2013 - 2016**



## Introduction of Universal Credit

### Will affect . .

People of working age receiving means-tested benefits and tax credits.

### What does the change mean?

Universal Credit starts in October 2013 and it will take 3-4 years for all existing claimants of current means-tested benefits to be transferred. It will be paid monthly in arrears and payments will cover amounts for self, children and housing costs (i.e. rent will not generally be paid to the landlord – that becomes the tenant's responsibility). Universal Credit will be paid to people who are not in work, and will then be reduced as they take work, making a smoother passage between unemployment and work. Increased "testing" of ill-health or job-seeking activity will lead to some claimants having benefit reductions or suspensions.



### From when?

**October 2013**

### Will affect . .

Those in receipt of incapacity benefits who are being re-tested according to criteria for the ESA, as well as new claimants who are unable to work due to ill-health. In addition, people who are getting ESA because they have paid national insurance are having their claims stopped after 12 months (unless in ESA Support Group) and being asked to apply again via a means-test.

### What does the change mean?

ESA replaced Incapacity Benefit in October 2008 although it will be 2014 before all claimants have transferred across. Many are being declared fit for work and may ask for supporting evidence to help them appeal a refusal of benefit or to help them get into the ESA Support Group (those who are unlikely to be fit for work for the foreseeable future).

Many mental health service users, in particular, are having difficulty engaging with the ESA process – they are too fearful to attend medicals, or are being found fit for work or are losing their entitlement because of the new 12-month rule and are then failing the means-test because of a partner's income. This cut off period will not apply to certain cancer patients.

### From when?

**October 2008 – April 2014**

## Useful contacts and information

### The overall impact - increased demand for high cost loans and emergency assistance

Although the changes positively encourage people back into work, there is a real risk that people who lose benefit income or have increased costs may turn to high-cost lenders (both legal and illegal) especially if they have no access to mainstream financial products such as bank loans. Even the legal lenders can have interest rates that top 4000% APR. The impact of these loans may show themselves in depression, self-harm and other conditions.

### From when?

Immediately – ongoing

Beware of ‘debt management’ companies on the internet and in newspapers who are sometimes more interested in the fees they charge and even organising new loans – the things that got people into debt in the first place.

The following organisations may be able to offer advice in these circumstances:-

#### **Credit Unions in Hertfordshire –**

**Black Squirrel Credit Union** (North Herts)

01462 642045 or 01462 677242

**Credit Union** (Stevenage) - 01438 740844

**Dacorum First Credit Union** (Hemel Hempstead)

01442 240250

**HertSavers Credit Union Ltd** - 01707 269239 or

07545 484268

**St Albans District Credit Union** - 01727 859135

**Watford Credit Union Ltd** - 01923 236401

or call **0161 832 3694** to find your nearest credit union

[www.findyourcreditunion.co.uk](http://www.findyourcreditunion.co.uk)

**Citizens Advice Bureau** 📞 08444 111 444

**Consumer Credit Counselling Service**

📞 0800 1381111 🌐 [www.cccs.co.uk](http://www.cccs.co.uk)

**Department for Work and Pensions** 🌐 [www.dwp.gov.uk](http://www.dwp.gov.uk)

**HertsHelp**

📞 0300 123 4044 🌐 [www.hertsdirect.org/hertshelp](http://www.hertsdirect.org/hertshelp)

**Money Advice Service**

📞 0300 500 5000 🌐 [www.moneyadviceservice.org.uk](http://www.moneyadviceservice.org.uk)

**Money Advice Unit (HCC)**

🌐 [www.hertsdirect.org.uk/benefits](http://www.hertsdirect.org.uk/benefits)

**National Debtline** 📞 0808 808 4000 (call charges at local

rates) 🌐 [www.nationaldebtline.co.uk](http://www.nationaldebtline.co.uk)

**Payplan**

📞 0800 917 7823 🌐 [www.payplan.com](http://www.payplan.com)

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[www.hertsdirect.org/hertshelp](http://www.hertsdirect.org/hertshelp)

Phone lines: Monday to Friday 9am until 5pm, Thursdays 9am until 7pm

Phone: 0300 123 4044 (local rate) Fax: 0300 456 2365

Email: [info@hertshelp.net](mailto:info@hertshelp.net) Minicom: 0300 456 2364

Text: hertshelp to 81025 Skype: Skype - HertsHelp

Post: HertsHelp, Hertlands House, Primett Road,  
Stevenage, Herts SG1 3EE

HertsHelp network of organisations can provide the following to aid with speech and language: interpretation services, signers, assistive technology, Makaton, easy read and communication toolkits.

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