



# Southdown



## Financial Inclusion Team **NEWSLETTER**

**AUTUMN BUDGET  
SPECIAL**

**Autumn 2024**



Since our last newsletter changes include a new government and a recent budget. The team are still extremely busy and although the Cost of Living crisis may not be receiving many headlines at the moment, it certainly hasn't gone away. The team have been scrutinising the recent budget and many of the details are included in this newsletter.

*This information is correct as at 20 November 2024*

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# Autumn Budget Headlines

The new Chancellor, Rachel Reeves, delivered her first Autumn Budget statement on 30th October 2024 confirming the government's financial plans for the near and longer-term future. This chart outlines the key announcements most relevant to Southdown's staff and clients.

|  |  |
|--|--|
| <b>Benefit uprating</b>                            | Most welfare benefits including Universal Credit, and disability benefits such as Personal Independence Payment, will be uprated next April in line with the September 2024 Consumer Price Index (CPI) inflation rate of 1.7%.                                     |
| <b>Local Housing Allowance freeze</b>              | The local housing allowance (LHA) rates will be frozen again from April 2025 after a temporary thaw in April which increased the rates for the first time in 4 years.  |
| <b>Triple lock for Pensioners</b>                  | The government will maintain the State Pension triple lock for the duration of this Parliament. The basic and new State Pension will increase by 4.1% in April 2025 in line with earnings growth.  |
| <b>National Living / Minimum Wage</b>              | The National Living wage will increase from £11.44 to £12.21 an hour from next April. The National Minimum Wage for 18-20 year olds will increase from £8.60 to £10 an hour; 16-17 year olds and apprentices will receive an increase from £6.40 to £7.55 an hour. |
| <b>Income Tax and N.I thresholds</b>               | Income Tax and National Insurance thresholds will not be increased until April 2028.   |
| <b>Universal Credit Direct Deductions</b>          | The government is creating a new Fair Repayment Rate which caps deductions for debts at 15% of the standard allowance instead of the current level of 25%.   |
| <b>Carer's Allowance Earnings threshold</b>        | From April 2025, the weekly earnings limit after which entitlement to Carer's Allowance stops is increasing from £151 to £196 per week. This is the equivalent of 16 hours at National Minimum Wage.   |
| <b>Household Support Fund extended</b>             | The government will provide a further £1 billion to local authorities to extend the Household Support Fund from April 2025. The fund was set up to address immediate hardship and crisis for vulnerable households.  |
| <b>Universal Credit Surplus Earnings threshold</b> | This is the threshold above which an amount of excess earnings can be carried forward to future months when assessing Universal Credit. From April 2025, the current rate of £2,500 surplus earnings will be extended for a further year.                          |
| <b>Health Benefit Reforms</b>                      | Work and pensions secretary Liz Kendall is expected to reveal her 'Get Britain Working' white paper early in the new year. This will set out the details for reforming welfare and employment support.   |

# Reforming the Health and Disability Benefits System

The new Work and Pension Secretary, Liz Kendall, has confirmed that plans to reform the health and disability benefits system will be set out early in the new year.

## Back to Work Plan



The government have committed to growing the economy through encouraging people back to work.

Ms Kendall confirms that her 'Get Britain Working' White Paper will aim to address the 9.4 million people who are currently economically inactive; 2.8 million of whom are out of work due to long-term sickness.

She says that under the plan more disabled people and those with health conditions will be supported to enter and stay in work. She plans to achieve this through developing more power to local areas so they can shape a joined-up work, health, and skills offer that suits the needs of the people they serve.

## Work Capability Assessment changes

Following a consultation last year on changes to the work capability assessment, the previous government proposed to reduce the number of claimants in the 'limited capability for work-related activity' group (support group under ESA) by amending some of the functional test activities for those making new claims.



Referencing the proposed reforms in her Budget speech, the Chancellor, Rachel Reeves, confirmed that this Government plan to deliver those reforms relating to the work capability assessment.

Ms Reeves has pledged £2.7 billion in 2025 to 26 for the DWP to deliver individualised employment support programmes and reduce health-related inactivity. This includes more than £800 million for disability employment support and £240 million to tackle the root causes of inactivity.

## Please don't panic!

We appreciate that any changes to the benefits system can cause a great deal of anxiety for our clients. Although we know that reforms will be taking place, the details have not yet been set out and the processes involved in implementing changes can take many months to develop and to put into legislation. We will of course keep you updated on the progress of these reforms.



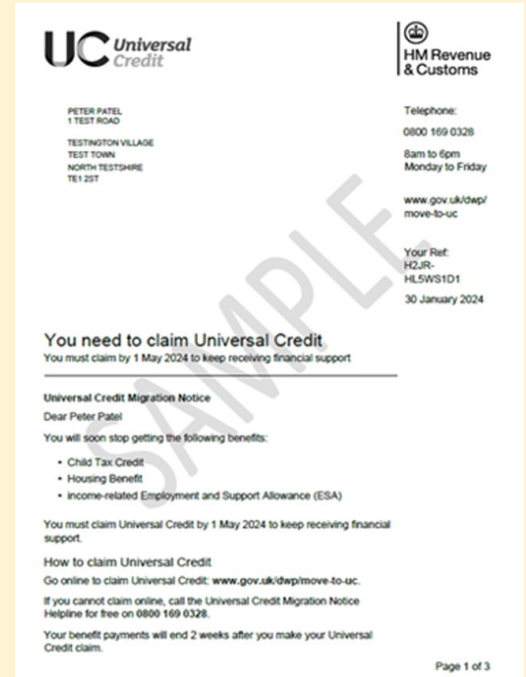
# Welfare Reform

## The move to Universal Credit (Managed Migration)

The final phase of the roll out of Universal Credit (UC) to all existing 'legacy' benefit claimants is now underway and the government plans to have this completed in 2026.

The DWP are sending letters out to claimants who are in receipt of one or more of the following 'legacy' benefits:

- ◇ Income-Related Employment and Support Allowance (I-R ESA)
- ◇ Income Support
- ◇ Income-Based Jobseekers Allowance (I-B JSA)
- ◇ Housing Benefit
- ◇ Working Tax Credit / Child Tax credit



### What to expect

Claimants will be receiving a letter like this one telling them that they need to move to Universal Credit. This is called a Migration Notice. Migration Notices are being posted between now and the end of 2025.

The Migration Notice will explain that the legacy benefit is ending. The letter will include the date the benefit is due to end. This is called the 'deadline day' and it will be three months and one day from the date the notice was issued.

If a claimant is unable to make the claim to Universal Credit before the deadline day, they can ask the DWP for an extension to this deadline of one month. This must be agreed in advance.

### What happens if the claim is not made before the deadline day?

If a claim is not made by the deadline day, or an extension has not already been agreed with the DWP, the legacy benefits will stop. **It is very important not to ignore a Migration Notice.**

### Transitional Protection

The DWP have stated that if a claimant makes their claim to Universal Credit *after* receiving the Migration Notice, they will not immediately lose out on any money provided their personal circumstances have not changed.

The difference between the two amounts is made up through a '**Transitional Element**' which is included in the first Universal Credit Payment. This Transitional Element will continue to be included in future assessments, but certain changes can reduce it or end it altogether.

**For further information about claiming Universal Credit, see pages 10 & 11**

# More Managed Migration!

## Migration for ESA claimants

The government have brought forward the migration of ESA claimants to Universal Credit (UC). Originally scheduled to begin in 2028, Migration Notices began to be sent out to ESA claimants from September this year.



Claimants currently in receipt of ESA should have their 'work capability' status transferred to their new UC claim without having to undergo a new assessment. Their work requirement conditions will remain the same as they were under the ESA rules, that is:

- **ESA Work-Related Activity Group (WRAG)** - claimants must engage in some work focussed interviews and work preparation. This is the 'Limited Capability for Work' (**LCW**) group under UC.
- **ESA Support Group** - no work-related requirements. This is the 'Limited Capability for Work Related Activity' (**LCWRA**) group under UC.

We recommend that ESA claimants contact a Benefits Adviser when they receive their Migration Notice. This will be to ensure that their current benefit award is maximised before their transition and to explain the processes involved.

## Enhanced Support Journey

For those claimants who may struggle to make the move onto UC, the DWP have developed an 'Enhanced Support' journey which includes phone calls, home visits, extending a claimant's deadline, case conferences and other measures where it is recognised that the claimant may be particularly vulnerable.

## Issues for claimants moving from ESA to UC

We have heard of several cases where claimants moving from ESA to UC have encountered unnecessary problems at the start of their claim. Despite having their WRAG or Support Group status, some clients have been asked to provide a fit note or to attend an interview relating to work search conditions. **This is unlawful!** Regulation 19 of the UC Transitional Provisions Regulations 2014 states that their ESA status should transfer to UC.

Anyone entitled to ESA on the day they claimed UC should:

- **Not be required to provide a fit note**
- **Not automatically be required to undergo a new Work Capability Assessment**
- **Have no conditionality if they have LCWRA**

We understand from the DWP that the problem has been caused by delays in the transfer of information between departments which has caused Work Coaches to treat claimants as if they do not have a limited capability for work / work-related activity. Although the DWP are working on a resolution, we recommend that claimants add a note in their UC journal explaining that they were already receiving ESA on the day they claimed UC.

# Other Changes

## Winter Fuel Payments

In July of this year the new Government announced that a series of 'difficult decisions' would need to be made to 'restore economic stability' after revealing £22 billion of unfunded pressures inherited from the previous Government. As a result, the Chancellor, Rachel Reeves, confirmed that the Winter Fuel Payment will be means-tested for the first time from winter 2024/25.



This means that, to be entitled, someone not only needs to be age 66 or over but they must have had an award of one of the benefits listed below during the qualifying week of **16<sup>th</sup> – 22<sup>nd</sup> September**.

- ◆ Pension Credit (either Guarantee or Savings)
- ◆ Universal Credit
- ◆ Income-Related Employment & Support Allowance (ESA)
- ◆ Income Support
- ◆ Income-based Jobseeker's Allowance (JSA)
- ◆ Tax Credits.

## Pension Credit Take-Up Campaign

The DWP have joined forces with charities, broadcasters, Local Authorities, and a range of partners to increase Pension Credit take-up.

With as many as 880,000 pensioners missing out, the campaign aims to spread awareness and increase claims for Pension Credit, which from this year will also automatically passport eligible pensioners to receive the Winter Fuel Payment.

Pension Credit is a means-tested benefit. It tops up existing income to give State Pension age claimants a minimum level of income for their living costs. The basic 'minimum income' level is:

- **£218.15** a week for single claimants
- **£332.95** a week for couples

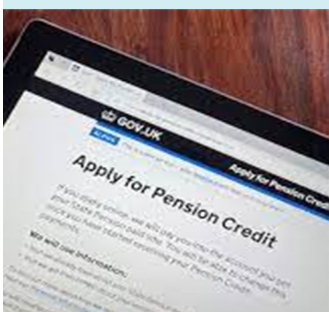
This minimum level is increased for some claimants, for example, if they have caring responsibilities, a severe disability, or are responsible for children.

Pension Credit is separate from the State Pension. It is not based on National Insurance contributions and has no upper savings limit.

As claims for Pension Credit can be backdated 3 months, new claimants have up until 21<sup>st</sup> December to make a claim and be entitled to a Winter Fuel Payment this year.

Claims can be made online: <https://www.gov.uk/pension-credit/how-to-claim>

Or by telephone: **0800 99 1234**



## Pension Credit and Housing Benefit Alignment 2026



Currently, State Pension age claimants are expected to claim help towards their rent through Housing Benefit.

However, there has been a longstanding plan to amend Pension Credit so it includes help with these housing costs.

In the Chancellor's 2024 Autumn Statement, it was announced that the government plans to bring together Housing Benefit and Pension Credit for new claimants from 2026.

We will bring you more information about this nearer the time.

## New Anti-Fraud Measures

The government has said that Universal Credit claimants are to be required to provide periodic redeclarations of their circumstances from April 2025.

This is part of a package of anti-fraud and error measures announced in the Autumn Budget including programmes to prevent, detect, and correct fraud and error in the benefits system.

## Changes to Health Assessment Providers

New providers have been contracted by the DWP to deliver work capability assessments and PIP assessments from September 2024.

Under the new contracts, the providers are each delivering work capability assessments and PIP assessments as well as other health assessments across specific geographic areas.

For South East England, the assessment provider will be:  
**Ingeus UK Limited**

Ingeus UK Ltd have now replaced Independent Assessment Services for PIP assessments, and Capita for Work Capability Assessments.



## Warm Home Discount Scheme



The Warm Home Discount is a one-off payment of £150 to help with the cost of energy during the winter. It is paid automatically to qualifying people where the electricity supplier is part of the Warm Home Discount scheme.

To qualify automatically, a person will need to be in receipt of the Guarantee Credit portion of Pension Credit.

People under State Pension age will qualify if they are in receipt of a means-tested benefit ie: Universal Credit, Income Support, Income-related ESA, or Income-based JSA *and* live in a property defined as having high energy costs.

The government will assess energy costs based on the type, age and size of a property.

Eligibility can be checked on the Gov.UK site: <https://www.gov.uk/check-if-youre-eligible-for-warm-home-discount>

# Additional help

## Household Support Fund

The Household Support Fund has been delivered through local authorities since October 2021 when it was set up to 'provide a lifeline for those at risk of struggling to keep up with their bills over the winter'.

The government have confirmed that an extra £1 billion will be provided to enable the extension of the Household Support Fund in England from April 2025.

Each local authority will use the fund to help low income households facing hardship and financial crisis, including supporting them with the cost of essentials such as food, energy and water.

Application and eligibility criteria will vary depending on the local authority. For more information, check the relevant local authority website.

## Cold Weather Payments

This is an automatic £25.00 a week payment when the temperature falls below 0 for seven consecutive days. To qualify, a claimant must:

- be on Universal Credit, Income Support or Income Based JSA or Income Related ESA or Pension Credit (either type) **AND** be either:
- Pension Credit Age or over, or someone in the household is disabled, or they are responsible for a child under five (disabled child can be any age).



## Scams Reminder

Every year, millions of people fall for scams sent through the post, by email, phone, text, in person or online. Scams are becoming more and more sophisticated and it is easy to be fooled, especially with so many changes in the benefits system which is a target area for scammers.

### Remember to Take 5!

**Stop** - take a moment to stop and think!

**Challenge** – could it be fake?

**Protect** - If you think you have been scammed, contact your bank immediately and change your passwords. Report it to **Action Fraud on 0300 123 2040** -

<https://www.actionfraud.police.uk/>

Check out the **Little Book of Big Scams** for more information, hints and tips: <https://www.met.police.uk/SysSiteAssets/media/downloads/central/advice/fraud/met/the-little-book-of-big-scams.pdf>





# Debt Concerns?

## Watch out for Loan Sharks!

This is the ideal time of year for loan sharks to operate by offering illegal loans to vulnerable people.

Loan sharks lend money without authorisation from the Financial Conduct Authority (FCA), they will provide very little paperwork and often work from a residential address. Their interest rates are extremely high, exceeding those charged by payday loan companies.



People are reluctant to talk about any money owed to a loan shark due to embarrassment and sometimes fear. Loan sharks often take illegal action to collect money that they have lent such as threatening violence or confiscating items of value from the home.

If you or someone you know is a victim of an illegal money lender – call the helpline **0300 555 2222** for emotional support, information and guidance. Anything you tell the team will be treated in the strictest confidence and you can remain anonymous. The loan shark won't know they're being investigated. For more information visit: <https://www.stoploansharks.co.uk/>

## Access free one-to-one help



Sadly, due to the current crisis, more people are finding themselves struggling with debt.

Once identified, debt can feel unmanageable and overwhelming. However, it is important to remember that no debt problems are unsolvable and there's a range of great, free, non-profit debt counselling agencies offering one-to-one help.

These include:

### Money Advice Plus

Brighton area - Visit: [www.moneyadviceplus.org.uk/](http://www.moneyadviceplus.org.uk/) or call: **08081 963699**

Citizens Advice: <https://www.citizensadvice.org.uk/about-us/contact-us/contact-us/contact-us/>

Money Helper - Visit [www.moneyhelper.org.uk/en](http://www.moneyhelper.org.uk/en) where you can also put in a request online for an adviser to give you a call.

National Debtline - visit [www.nationaldebtline.co.uk](http://www.nationaldebtline.co.uk) or call the helpline on **0808 808 4000**.

Step Change Debt Charity [www.stepchange.org](http://www.stepchange.org) or call the freephone helpline on **0800 138 1111**.

## How do I claim Universal Credit?



Claims for Universal Credit are made online: [gov.uk/universal-credit/how-to-claim](https://www.gov.uk/universal-credit/how-to-claim)

If you are in a couple, both members will need to make their own claim and these will then be linked together.

If you are going to struggle to make and maintain an online claim, you may be able to have an 'offline' claim instead.

If you need support to make the claim, you may be able to get help through a local advice agency or through the Citizens Advice Help to Claim service.

You will need an email address, bank account, and photo i.d.

Once you have completed the questions on the claim form, you will need to tick the 'claimant commitment' tab and press 'submit'. You will then need to have your i.d verified and attend a New Claim interview at the Job Centre.

## When will I receive my first payment?

Universal Credit is paid calendar monthly in arrears. As long as you have provided all the necessary evidence after submitting your claim, you should receive your first payment around five weeks later. You will then receive your ongoing payments on the same date each month.

## When is the best time to claim?

If you are going to be worse off on Universal Credit, you should wait for your Migration Notice before claiming. You will then be eligible to receive a Transitional Element in your UC award if you have not had a change in your circumstances.

If you are working and paid calendar monthly, it may be best not to make your claim around the time your wages are paid. This is because it can sometimes result in two monthly wages being used when the DWP assess your earnings in your monthly award. You may wish to speak to a Benefits Adviser about this before making your claim.

If you anticipate a significant change in your personal circumstances before your 'deadline day', you should seek advice to discuss what might be the best date for you to start your claim for Universal Credit. For example, you might be expecting a baby, going into full time advanced education, moving home, or anticipating an award of a disability benefit (list not exhaustive).

### Transitional Element

A Transitional Element is paid to claimants who:

- ◆ Receive a Migration Notice
- ◆ Claim UC by their deadline day
- ◆ Do not have a change of personal circumstances between receiving the Notice and claiming UC (eg: form a couple / separate)
- ◆ Would be worse off on UC

## What help can I get while waiting for my first payment?

### Two week 'run-on'

If you are in receipt of income-related ESA, income-based JSA, Income Support, or Housing Benefit you may be entitled to a two week 'run-on' of these benefits after making your claim to Universal Credit. These payments will be disregarded by Universal Credit when assessing your award.



### Advance Payment

You will be able to claim an 'Advance Payment' of Universal Credit, however, this is a loan and will be recovered through deductions from your ongoing award. If you feel you will need an Advance Payment, think carefully about how much you will actually need to get you through to your first payment of Universal Credit. Remember: your UC award will now include housing costs for your rent in most cases.

## Further Help and Advice

**Step-by-step guide to claiming:** [Step-by-step guide to making a Universal Credit Claim from DWP. \(youtube.com\)](#)

### DWP Migration Notice Helpline

Telephone: **0800 169 0328** Mon-Fri 8am to 6pm

### Citizens Advice Help to Claim Service

[www.citizensadvice.org.uk/about-us/contact-us/help-to-claim/](http://www.citizensadvice.org.uk/about-us/contact-us/help-to-claim/)

### Money Helper

[www.moneyhelper.org.uk](http://www.moneyhelper.org.uk) / telephone: **0800 138 7777**

**advice local.uk** - Independent advice organisations across the UK

Thank you all for taking the time to read our newsletter and we hope that you find this helpful!

Please be aware that this information is correct as at the 20 November 2024 and is subject to change.