

benefits news

Customer Newsletter

www.merton.gov.uk/benefitnewsletters

April 2013

New Council Tax Support April 2013

The Council Tax Benefit (CTB) scheme will be abolished from April 2013. The Department for Communities and Local Government (DCLG) has introduced changes to allow local billing authorities to make their own local Council Tax Support schemes. Merton Council decided to create a scheme that pretty much mirrors the old CTB rules but it will no longer be called CTB. If you previously received CTB and are still entitled under the new Council Tax Support scheme, your award letter will tell you your weekly award. Your Council Tax bill will show an annual reduction. If you want to find out more go to our Welfare Reforms webpage - www.merton.gov.uk/hbctbreform

Social Housing – extra rooms

From April, the Government has introduced a change in the way we work out HB for social housing tenants with extra bedrooms. Prior to April 2013, your eligible rent was simply the actual rent less any services not covered by Housing Benefit. The new rules for deciding how many bedrooms customers are entitled to claim for will be based on similar rules that apply to private tenants on the Local Housing Allowance (LHA) scheme. Again this reform prepares the way for the Universal Credit scheme.

We wrote to those social sector tenants potentially affected in the Autumn of 2012. We also notified the social landlords too. There were approximately 970 claimants affected by either

- 14% reduction for one spare bedroom; or
- 25% reduction for two or more spare bedrooms

Support and advice was given to those potentially affected. Tenants still concerned about these reductions should first speak to their social landlord. There are a number of useful under occupation factsheets. You can get these by any of the following ways:

- ask your social landlord
- go to www.merton.gov.uk/benefits/hb-ctb
- phone us on 020 8274 4903
- visit us at Merton Link on the ground floor of the civic centre.

There are limited exemptions from under occupation and also exceptions to the standard rules. Please ask us before 1 April 2013 if you need more advice.

Information in this newsletter is available in other languages, larger print, in Braille and on audiotape. If you would like more information in another format, contact Merton Benefits Service, London Borough of Merton, **PO Box 610, Civic Centre, Morden, SM4 5ZT.**

Local Housing Allowance changes for private tenants

The Department for Work and Pensions (DWP) has abolished Local Housing Allowance (LHA) anniversary dates from 1 January 2013. Any private tenants who would have had a reassessment between January 2013 and March 2013 will just continue on the same eligible rent and LHA rate. Then from 1 April 2013 all LHA claimants will have their LHA rate reassessed at that date and then every year in April after that.

The LHA rates will be increased by the lowest of

- the Consumer Price Index (CPI)* for the previous September; or
- the average rent for three in ten properties for that bedroom rate and area.

So some have increased and some have decreased, as you can see overleaf.

*CPI for September 2012 was 2.2%.

If you want to see what the LHA rates for April 2013 you can:

- See them overleaf; or
- Go to www.gov.uk/housing-benefit. Click on **Part 2 - What you'll get**. Then click **Local Housing Allowance Limit under Private rent**; or
- Go to www.merton.gov.uk and find our LHA Rates page from the A-Z of services under L for Local Housing Allowance; or
- Phone us on 020 8274 4903; or
- Get them from Merton Link at the Civic Centre in Morden.

If you are a private tenant who has made a new or change of address HB claim on or after 7 April 2008, you are most likely on the LHA scheme. Your enclosed award letter will reflect the new LHA rates that take effect April 2013 (see overleaf).

Other LHA changes will also allow for a reassessment of your HB if your rent increases or decreases mid year i.e. after April 2013. Prior to this date there could be no mid year reassessment if the rent changed on a date that did not align to the LHA anniversary date. You must still let us know in writing in one calendar month of the change in rent.

April 2013 uprating of benefits

Benefits in general will only be increased by 1% in April 2013 and then for the subsequent next two years. In effect this is a cut to these benefits when compared to inflation. However the Government decided to protect certain disability benefits, which will increase by 2.2%. Employment and Support Allowance will only increase by 1% except if you get the support component. Housing Benefit applicable amounts will increase by a minimum of 1%.

Benefits cap starts 15th July 2013

The Benefits cap will only be introduced to four London boroughs from 15th April 2013 as pilots. Then the main roll out of the cap will start on 15th July and be completed by 30th September 2013 for all existing claims. This main roll out will include Merton. The cap will still be:

- £350 for single claimants
- £500 per week for couples or families.

The cap will be applied to HB after the total household benefits, including Income Support, Jobseekers Allowance, Tax Credits, Child Benefit and Housing Benefit are added up (except for HB paid for Supported Accommodation).

It is likely the cap will affect larger families and households. You are exempt from the benefits caps if:

- You or your partner are of State Pension Credit age
- You or your partner are entitled to or receive working tax credit
- You or your partner receive war widows or widowers pensions or armed forces compensation
- You or your partner receive industrial injuries benefits;
- if you or your partner or child receive disability living allowance or personal independence payments in the future.

There is also limited protection for 39 weeks, if you or your partner has worked continuously for at least 50 of the last 52 weeks prior to claiming HB.

Universal Credit starts October 2013

Universal Credit will be rolled out nationally from October 2013, but on a very limited basis. It will only start then with new claims made in some areas. Universal Credit will replace these six main benefits:

- Income Support
- Income based Jobseeker's Allowance
- Income related Employment and Support Allowance
- Child Tax Credit
- Working Tax Credit
- Housing Benefit

In the main it will be administered by the DWP from April 2014. Personal Independence Payments replace Disability Living Allowance from 10th June 2013 and local Council Tax Support replaces Council Tax Benefit from 1st April 2013.

Social fund abolished

From 1st April 2013, the DWP will be abolishing the Social Fund. They will continue to award Cold weather payments; Funeral Payments; Sure Start Maternity Grants and Winter Fuel Payments. They will replace Budgeting Loans with Budgeting Advances and Crisis Loan Alignment Payments with Short Term advances. Community Care Grants and Crisis Loans will stop.

Local welfare support scheme

We have developed a scheme to help vulnerable residents who need short term help to pay for food, heating and hot water and to help those trying to stay or settle in the community. Merton's Local Welfare Support scheme will start on 1st April 2013. The funds we have been given do not equal the amounts the DWP paid out under the Social Fund so they are very limited. As part of the scheme applicants may be expected to take action to tackle debt, manage their budgets and save for future needs as they may not be eligible for help under the new scheme.

More information can be found at www.merton.gov.uk/lwss

LHA rates for April 2013

The tables below show the April 2013 to March 2014 LHA rates, based on three in ten being affordable.

If the rent is weekly use this table.

BRMA	LHA weekly rates from 1 April 2013 to 31 March 2014				
	Shared room	One bed	Two beds	Three beds	Four beds
Inner South West London	£87.26	£234.67	£294.81	£347.48	£408.08
Outer South West London	£78.50	£206.36	£259.43	£311.54	£392.16
Outer South London	£78.50	£159.20	£200.47	£258.08	£318.39

If the rent is calendar monthly use this table.

BRMA	LHA monthly standard rates from 1 April 2013 to 31 March 2014 only				
	Shared room	One bed	Two beds	Three beds	Four beds
Inner South West London	£378.13	£1016.90	£1277.51	£1505.75	£1771.47
Outer South West London	£340.17	£894.24	£1124.20	£1350.01	£1699.36
Outer South London	£340.17	£689.87	£868.70	£1118.35	£1379.69

Non dependant deductions still rising

Just like applicable amounts and DWP benefit increases, the Government have increased non dependant deductions for the third year. The new amounts and increased amounts since last April are shown below. The Government are committed to increasing them to reflect what they would have increased to had they not been frozen since 2001. The highest HB deduction increases by £13.90 from £73.85 to £87.75 per week.

Non dependant category - Gross weekly income ranges or circumstances	HB non dependant deduction from April 2013	Increase since April 2012	CTS non dependant deduction from April 2013	Increase since April 2012 under CTB rules
£394.00 per week or more	£87.75	£13.90	£10.95	£1.05
£316.00 to £393.99	£79.95	£12.70	£9.15	£0.90
£238.00 to £315.99	£70.20	£11.15	£8.25	£1.70
£183.00 to £237.99	£42.90	£6.80	£8.25	£1.70
£124.00 to £182.99	£31.25	£5.00	£3.65	£0.35
Less than £124.00	£13.60	£2.15	£3.65	£0.35
Aged 18 or more not working	£13.60	£2.15	£3.65	£0.35

CTS = Council Tax Support and CTB = Council Tax Benefit

New edition of the LHA guide out now

We have updated the LHA guide to take account of:

- New legislation from January 2013 and April 2013
- Updated web addresses for searching like www.gov.uk/housing-benefit/what-youll-get

To get a copy of the leaflet or if you want more:

- Download and print as duplex from www.merton.gov.uk/local_housing_allowance; or
- Ask us at Merton Link
- Phone us on 020 8274 4903
- Email us at Housing.Benefits@merton.gov.uk