



6 May 2020

## Coronavirus (COVID-19) - Changes to Welfare Benefits

### A Housing LIN Practice Briefing (No5)

#### About this briefing

This briefing is of relevance to social landlords, local authorities and other organisations advising and supporting working age adults. It covers Universal Credit, Jobseekers, and sickness and disability benefits, as well as the government's response to work and sickness.

In the last few weeks, the government has declared various changes to these benefits system to try to adapt to the ongoing coronavirus pandemic. It has arguably been the biggest change to welfare benefits since the welfare reform programme started nearly ten years ago. These changes have had two major aims – softening the blow of potential job losses and making the system of sickness benefits easier to access to discourage people from working if they are unwell.

While the aims are relatively clear, the speed with which the policy measures have been put in place have meant they are broad in their impact, affecting people beyond the intended target groups. In preparing this briefing, operators such as **Anchor Hanover** have informed us that they are keeping colleagues up to date weekly with benefit changes and their new weekly emailed *Staying Well* during coronavirus for residents will also include a section on benefits.

Other useful examples of how the sector has responded in offering financial information and advice on benefits, employment and paying rent include **Orbit's Better Days** programme at: <https://betterdays.orbit.org.uk/better-days/money/> and the work of **Together Housing's** Income Team at: <https://www.togetherhousing.co.uk/our-news/news/coronavirus-update/update-from-your-income-team/>. And **Peabody's** website also sets out clearly money and benefits matters for residents at: <https://www.peabody.org.uk/news-views/2020/coronavirus/money-and-benefits>

Some of the changes involve increases to some benefits, although not to all. There are also some changes in administration of benefits, especially in the requirement to attend interviews and appointments. It is helpful to look at the changes by grouping them below according to their intended effects.

#### General changes to benefits

- **Universal Credit increase:** From April 6<sup>th</sup>, the standard allowance of Universal Credit (UC) and the basic element of Working Tax Credit were increased by £20 per week, as a temporary measure for one year. This brings the equivalent weekly amount of

Universal Credit in line with Statutory Sick Pay, meaning many people who claim sick pay will be able to move onto benefits without losing any income. This is a flat increase for every claim, so a single person living alone will get the same £20 per week increase as a couple with three children. This change is not reflected in other benefits, so people on benefits like Employment and Support Allowance or Carer's Allowance and Income Support will not receive an equivalent increase.

This change is aimed at people who lose their jobs, reduce their hours or become sick and have to claim benefits. People already on Universal Credit will get the increase to their income though, no matter their circumstances. Likewise, people who move on to Universal Credit for reasons unconnected to coronavirus will also receive the increase to their entitlement. People on older benefits, may be tempted to move on to Universal Credit to gain from this increased entitlement, but should be wary of a drop in their income when the temporary increase ends which may reduce their income to levels lower than it is currently. They should seek benefits advice before considering this option.

- **Help with housing costs:** From April, the Local Housing Allowance was increased for private renters to 30% of the local market rent. This is the maximum amount that can be claimed in Housing Benefit and the Housing Costs element of Universal Credit if you rent privately. It has been set at 30% of market rents since 2011 but this amount was frozen in 2015 and has not increased since then. Housing Benefit rates have fallen well below local rents in many parts of the UK. This change reverses that freeze and makes a sudden move onto benefits more viable for people who were previously able to pay their rent without support.
- **Jobcentre attendance:** Anyone making a claim for Universal Credit will not be required to attend or call the Jobcentre. There were around 1.5 million new claims to Universal Credit in the first three weeks after the lockdown measures were announced, which is around five times the record number of new claims for unemployment benefit since records began. This has put huge pressure on the Department for Work and Pensions which has tried to reduce the amount of contact needed with work coaches and back office staff. To this end, any claimant who needs to be interviewed will be called by the Jobcentre.
- **Advance payments:** If they make a claim to Universal Credit and need an advance payment to support them during the initial five week wait for a first payment, this can also be arranged over the phone or requested on the online account, once they have verified their identity through the online processes.
- **Debt recovery:** All DWP debt recovery has been suspended until July at the earliest. They also paused third party debt deductions between 10<sup>th</sup> April and 10<sup>th</sup> May. This includes recovery of benefit overpayments, social fund loans and tax credit debts. If the recovery is automated, deducted from ongoing benefit payments for example, this will happen without the claimant having to do anything. Enforcement agents have been instructed not to pursue any action on benefit debts, including if the person is no longer receiving benefits. If the person makes payments directly to the DWP, by standing order, bank transfer or giro credit, they will have to stop those payments themselves if they want the recovery to pause. The pause on debt recovery does not cover advance payments of Universal Credit. These will be recovered by deductions from ongoing payments in the usual fashion.
- **Seeking work:** Anyone diagnosed with coronavirus or who is staying at home will not be sanctioned during this period.

- **Council hardship funding:** Local authorities have been issued with a £500 million hardship fund to help support people on local Council Tax Support. It is up to councils how they use this money but it is expected that they provide a reduction in council tax bills of £150 to every household currently claiming Council Tax Support but only for those on the working age council tax support scheme.

## Jobseekers

- All jobcentres are now closed to the public but staff are still working in Jobcentres and may admit those who are particularly vulnerable in exceptional circumstances.
- As indicated above, anyone who is required to stay at home will be treated as having a period of sickness and will not be required to be available for or searching for work. This is true for everyone until at least the end of June.

## Sickness and disability benefits

- If they need to claim Employment and Support Allowance or Universal Credit and they are unable to work because of illness or disability, they will not have to provide a fit note, or an isolation note from NHS 111 Online. This is designed to make it easier to claim these payments if they become sick, so as to stop people working through illness.
- Assessments for Employment and Support Allowance, Universal Credit and Personal Independence Payment have been suspended until at least the end of June. No one will not be required to attend an appointment during this time.
- New claims for Employment and Support Allowance are not usually paid during the first seven days of a claim. This waiting period has been removed and claims will be paid from day one, encouraging people to claim immediately on becoming unwell.

## Workers

- Statutory Sick Pay is payable to anyone self-isolating due to coronavirus, whether they have a diagnosis or not. Employers are encouraged to use discretion as to whether they need to get evidence of this.
- If employers decide they do need evidence that someone has been advised to stay at home, NHS 111 Online can issue an “isolation note” that acts as sufficient evidence.
- Statutory Sick Pay was previously only payable from the 4<sup>th</sup> day of sickness. It is now payable from the 1<sup>st</sup> day, to encourage people to stay off work immediately if they are sick. And any self-employed or employed claimants who do not receive payment of wages until the Job Retention Scheme or Self-employed Income Support Schemes are running and making payments, will not have to repay any UC or benefits they receive in the meantime.

## Implications for the housing sector

- These changes are particularly relevant to working age tenants of social landlords, but also to tenants in the private rented sector. This will include social housing tenants living in age-designated housing, for example tenants aged 55 years to pension age.

- Social landlords should ensure that tenants who have been made redundant or have had their working hours and pay reduced, and may as a consequence be having difficulty paying their rent, have access to advice and information about their eligibility for Universal Credit and other welfare benefits.
- The government has also issued guidance for landlords and tenants on COVID-19 and renting, including suspending possession proceedings.
- These changes are wide ranging and affect millions of benefit claimants and potential benefit claimants. For social landlords risks lie in the sheer volume of new claims to benefits. While the DWP has brought in many new staff to deal with the surge, benefit claims are at unprecedented highs and Universal Credit is being asked to support far more people than it was expecting to at this stage in the roll out. With this level of demand, interactions with DWP have become more difficult and we are seeing evidence of errors being made. While this is to be expected, the increase in numbers of tenants reliant on the system means it has to take the burden of supporting many more rent payments than anyone would ordinarily be happy with.
- But increased incomes are helpful across the caseload of tenants on Universal Credit and Working Tax Credit. The pausing of debt recovery will also help support tenants' incomes at this time. It is important that tenants are advised that these are temporary measures though, and that they need to be prepared for when incomes return to normal next year.
- The temporary removal of conditionality in Universal Credit and Jobseeker's Allowance and the suspension of sanctions will make the receipt of benefits much less pressured for recipients. Not having to attend assessments for Employment and Support Allowance and Personal Independence Payment may feel like a particular respite to many claimants.
- Finally, increases to Housing Benefit rates in the private sector means more housing is available to low income households which should reduce the pressure on social housing.

## Useful websites

For latest public and professional information and advice on coronavirus visit:

### ***Government policy, guidelines and advice***

#### **Universal Credit**

- <https://www.understandinguniversalcredit.gov.uk/employment-and-benefits-support/>
- <https://www.gov.uk/guidance/coronavirus-covid-19-what-to-do-if-youre-employed-and-cannot-work>
- <https://www.gov.uk/guidance/coronavirus-covid-19-what-to-do-if-you-were-employed-and-have-lost-your-job>
- <https://www.gov.uk/guidance/coronavirus-covid-19-what-to-do-if-youre-already-getting-benefits>

#### **Social Landlords**

- <https://www.gov.uk/government/publications/covid-19-and-renting-guidance-for-landlords-tenants-and-local-authorities>

## Advice Services

- Citizens Advice: <https://www.citizensadvice.org.uk/benefits/>
- Money Advice Service: <https://www.moneyadviceservice.org.uk/en/articles/coronavirus-what-it-means-for-you>
- Rights Net: <https://www.rightsnet.org.uk/welfare-rights/news/item/dwp-pausing-third-party-deductions-from-universal-credit-payments-until-10-may-2020>
- Entitled to benefit calculator: <https://www.entitledto.co.uk/benefits-calculator/Intro/Home>
- Child Poverty Action Group: <https://cpag.org.uk/coronavirus>
- Shelter: [https://england.shelter.org.uk/housing\\_advice/coronavirus#Help\\_with\\_rent\\_and\\_bills](https://england.shelter.org.uk/housing_advice/coronavirus#Help_with_rent_and_bills)
- Turn2Us: <https://www.turn2us.org.uk/>

## Other

- Chartered Institute of Housing: <http://www.cih.org/resources/PDF/Policy%20free%20download%20pdfs/WYNTK%20Coronavirus%20welfare%20benefits.pdf>

## Acknowledgements

Written by **Dan Rust**, Housing LIN Benefits Advisor and Director of Turquoise Training. With additional contributions from **Ian Copeman**, Business Operations Director Housing LIN, **Cressida Stanley-Williams** at Anchor Hanover and **Christine Evans** at Housing 21.

## Disclaimer

The Housing LIN does not accept any liability whatsoever for any loss, expense, liability, proceedings or claim arising from reliance placed upon any use, in part or in whole, of this publication. It is not a replacement for independent specialist advice, and those who use it should ensure that they take appropriate legal, financial and technical advice.

## About the Housing LIN

The Housing LIN is a sophisticated network bringing together over 25,000 housing, health and social care professionals in England, Wales and Scotland to exemplify innovative housing solutions for an ageing population and adults with care & Support needs.

For more information on Coronavirus and other practice briefings in this series, visit the Housing LIN's online Info Hub on our Health Intel webpages at:

<https://www.housinglin.org.uk/Coronavirus-Info-Hub/>

If you require welfare benefits advice bespoke to your organisation's circumstances and/or would like to talk through how the Housing LIN can support your organisation at this time, please do not hesitate to contact us (see contact details below). For more about our consultancy services, visit: <https://www.housinglin.org.uk/consultancy/>

If you would like to write a briefing for the Housing LIN on how your organisation is tackling coronavirus, please email us at: [info@housinglin.org.uk](mailto:info@housinglin.org.uk)

## **Published by**

Housing Learning and Improvement Network  
c/o PRP, The Ideas Store  
10 Lindsey Street, Clerkenwell  
London EC1A 9HP

Email: [info@housinglin.org.uk](mailto:info@housinglin.org.uk)

Web: [www.housinglin.org.uk](http://www.housinglin.org.uk)

Twitter: [@HousingLIN](https://twitter.com/HousingLIN) & [@HousingLINNews](https://twitter.com/HousingLINNews) & [@HLINConsult](https://twitter.com/HLINConsult)