

# How benefit changes may affect people in your community



Information, advice and suggestions  
for parishes, schools and individuals.

## ***A Briefing on the Welfare Benefit Changes.***

This booklet aims to:

- Provide a summary of the main changes that are taking place and some of the concerns being raised regarding the impact of the changes.
- Highlight the effects that these changes may have.
- Offer ideas of how individuals, organisations and parish communities may respond to the changes.
- Reflect, through Catholic Social Teaching, on a faith response to the welfare changes and their effects.

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Significant changes have taken place in the UK welfare benefit system since April 2013. These affect working age people receiving benefits &/or tax credits, as well as people with disabilities aged between 16 and 64 who are currently receiving Disability Living Allowance.

Our country is faced with a stalled economy, showing little sign of picking up, which is leading to a rise in repossessions and homelessness, increasing problems for the most vulnerable due to cuts in local services and a growing need for people who are in employment to claim benefits as they cannot earn enough to feed their families.

Addressing these problems the Government has implemented these welfare benefit changes because it “Has identified two key problems with the current system: work incentives are poor, and the system is too complex”

The reforms aim to help people move into and progress in work, while supporting the most vulnerable but there are grave concerns that the changes will have, and are already having, disastrous consequences for some individuals and families.

Tenants are being moved out of their local authority, to the periphery of their cities or beyond, because their housing benefit does not cover their rent any more. Families are being uprooted because they have too many bedrooms, but there are no suitable local properties at affordable rents. Disabled people are threatened with having their benefits cut if they do not engage in work. Vulnerable women and children are suffering as a result of cuts in local services and benefits.

## ***The Main changes***

Universal Credit (UC) is being phased in from April 2013. It applies to those aged between 16 and 64. This credit will merge six existing benefits: jobseekers allowance, income related employment and support allowance, income support, child tax credits, working tax credits, and housing benefits.

- Universal Credit is being distributed at household level, rather than to individuals. It will now be paid as a monthly single payment administered online.
- Under-occupancy: People living in rented property, who receive benefits, and are deemed to have one or more “spare bedrooms”, have had their benefit reduced by 14% for one extra bedroom, and 25% for two extra bedrooms. This has been named in the media the “Bedroom Tax”.
- For single people under 35, with no dependants, who rent from a private landlord the housing benefit component will only allow for the shared accommodation rate. This means that they will only be entitled to enough local housing allowance to cover the average cost of a single room in a shared house in their area even if they live alone.
- Benefits will be capped to ensure no one on benefits receives more than can be earned on an average wage. Couples and one parent families cannot receive more than £500 per week, a single person cannot receive more than £300 per week.
- Disability Living Allowance is being replaced by Personal Independence Payment.
- Council Tax Benefit will be abolished and replaced by a system of localised support.

## ***Concerns raised by the changes***

- A lot of press coverage and government briefings about the welfare changes have resulted in stigmatisation of the poor and those receiving benefits, with references to “skivers” and “scroungers”. Not only is this inaccurate but it is also unjust and discriminates against those already struggling. 60% of welfare benefits are pension related and of the rest, the majority are paid to people in low paid work; only 0.7% of benefits are claimed fraudulently.
- The move to payment at household level rather than to individuals has been criticised for its potential to create an unfair bias against women.

- Incorporating payments for children into the Universal Credit means that child-related support will not necessarily be paid to the main carer. This has given rise to concerns that the support may be less likely to reach the children it is meant to help.
- A shift to monthly payments will be a significant change for low income families used to budgeting on a weekly basis. There is concern that many people may end up borrowing money from money shops etc. to cover the shortfall, beginning their new claims already in debt.
- The Bedroom tax will have a particular impact on those in a property deemed too large, through no fault of their own, or because they require it due to family circumstances e.g.
  - \* In a separated family the parent whose child/ren live with their other parent has no allowance made for a spare room for a child to come and visit.
  - \* People with disabilities needing a room for carers to stay overnight or for necessary equipment.
  - \* People who through ill health have to sleep apart from their partner.
  - \* Couples being housed by councils in 2 bedroom properties because there are no one bed properties available.
  - \* Households where one or more adults live in the house that are deemed not to be part of the household – this includes family members who are 16 or over. Deductions are made from the Universal Credit as they are assumed to make a contribution towards rent.
  - \* Families housed with a room each for their children (same-sex children under 16 and children under 10 regardless of sex count as sharing)
- Housing benefit is now included in the Universal Credit payment, with very limited opportunity for the tenant to choose to have it paid direct to the landlord. With rent money coming to the claimant, there may be a temptation or even a desperate need to use it for other items, and rent arrears may build up.
- Benefits are assumed to be administered online, regardless of a person's access to a computer. There will be limited face to face access, an issue that could cause particular issues for the elderly and those on low incomes.



### ***What help is available?***

Discretionary Housing Payments (DHPs) are specifically designed to deal with difficult cases where benefit payments do not cover the claimant's housing and basic living costs. The Government awards an amount to each Local Authority (LA) every year and the LA can give out up to 2.5 times the value of the amount it receives from Central Government.

These grants cannot be used to cover council tax payments (there are separate grants available for this) but can be used for almost anything else – rent, rent deposits, making up benefit shortfall, cushioning cuts due to benefit changes etc. In order to get a DHP the person in need has to apply to their LA. Each LA has its own form and procedure and people may well need help in going through the process. Note that if an LA does not use all its Central Government money in the year it is clawed back, so we should all make sure our council uses its allocation.

To get more information about how DHPs work there is a guidance document, designed to advise LAs, but which can be downloaded by anyone at: [www.dwp.gov.uk/docs/discretionary-housing-payments-guide.pdf](http://www.dwp.gov.uk/docs/discretionary-housing-payments-guide.pdf)

### ***Council tax discretionary payments.***

Benefit claimants will now be expected by their local council to pay a proportion of their council tax and should probably be advised to apply to their council for a discretionary payment to get this written off. Again different councils have different procedures so it is worth checking up on yours. Applications must be made on the form provided by the LA and must include a statement of income & expenditure – including assets, and total debts, together, as appropriate, with a doctor's letter and other relevant facts.

Claimants who are turned down or people who have been issued penalty notices for non-payment of council tax should consider appealing, within 2 months at most, to the Valuation Tribunal. There is information at: [www.valuationtribunal.gov.uk/A1Form.aspx](http://www.valuationtribunal.gov.uk/A1Form.aspx)

The vital facts to give the Tribunal, the Council and the Court at every stage in the proceedings are evidence of financial hardship and evidence of income expenditure and debts. "Bedroom tax", Housing Benefit caps and the £500 overall benefit cap are relevant. Doctor's letters are vital if the claimant is ill or disabled.

Where claimants have not paid, the council will apply to the magistrates for a liability order, which adds, say £70, to the arrears. It is vital that they go to the Court as there will be a council official outside ready to make a deal to pay the arrears off at so much a week or month.

### ***What does this have to do with our parishes and communities?***

- These changes will have a significant impact, in all of our communities, on many individuals and families reliant on benefits while they adjust to their changed circumstances.
- It is likely that there will be increased requests for financial and other practical help made to parishes and church organisations.
- It is predicted that there will be an increase in homelessness, particularly younger homeless.
- As Christians we have a responsibility to help those in need and to challenge injustice.

Catholic Social Teaching urges us to act for the Common Good, to make the Dignity of the Human Person central to all our actions and considerations and to be in solidarity with those who are struggling.

Whatever our individual feelings about changes to welfare policy, if it has a detrimental impact on the lives of individuals and families (even in the short term) we have a responsibility as Catholics to offer help and support.

### ***So what could we do?***

- The first thing, if you wish to help those in need in your community, is to make this known, possibly just by talking to your parish priest but maybe by taking the initiative to raise awareness with groups within the parish.
- The Citizens Advice Bureau is a great source of help but people may be wary of going alone so make sure you know where it is and when it is open and offer to go with people - or maybe even offer to be a volunteer there yourself. The National Debt Helpline offers free confidential and independent advice and there may also be other local agencies you could contact who know of initiatives operating in your area.
- Work with other churches, faith groups and community organisations to support individuals and families struggling with changes and adapting to their changing circumstances.
- Could the churches and other faith groups in your area set up an advice centre to help with budgeting, debt management etc. as well as ensuring those in need are receiving the correct level of support with housing benefit, council tax relief and other benefits?

- Within the Catholic Church the St Vincent de Paul Society (SVP) is there to help those in need. If you are not already a member how about joining? No group in your parish? - well how about starting one? Membership is open to men and women, young and old, of any denomination. The SVP only asks that members accept fully the Christian ethos of the Society and are committed to express their love of God through personal service to their neighbour. [www.svp.org.uk](http://www.svp.org.uk) has more information.
- Credit Unions are a great way for those who need to borrow to avoid the vast interest rates charged by unscrupulous “doorstep” lenders as well as merely unethical ones which advertise widely on television. It is a good idea to find out where your local Credit Union is based and when they open, in smaller towns the opening hours can be very limited, so you can direct or take people to them. They do rely heavily on volunteers so this could be another opportunity to become involved. You can find your local credit union at [www.abcul.org/home](http://www.abcul.org/home).
- Food banks are springing up everywhere, usually offering short term support for those referred to them by other agencies - this generally includes churches as well as doctors, social services, the CAB and now even Job Centres. Again a volunteering opportunity but also a place where we hope those in need can find a friendly face and someone with whom to talk through their problems.
- Organisations working with the homeless e.g. Housing Justice [www.housingjustice.org.uk](http://www.housingjustice.org.uk), Depaul UK [www.depauluk.org](http://www.depauluk.org), and Shelter [www.shelter.org.uk](http://www.shelter.org.uk) are finding greater calls on their resources and hence have greater needs for our support. You could also consider finding and supporting organisations working locally in your community.
- Gather evidence of how the cuts are affecting people, and present them to your local council / MP. This is a good opportunity for Justice & Peace groups to get involved in campaigning.
- Please share ideas with other parishes and the wider community through diocesan newspapers and Justice and Peace newsletters.
- Pray for those who are struggling, those becoming homeless, those suffering increasing debt and all experiencing stress and anxiety due to the changes.

This booklet has been produced by the Archdiocese of Southwark  
Commission for Justice, Peace and the Integrity of Creation  
in conjunction with  
the Archdiocese of Westminster Justice & Peace Commission and  
the Diocese of Brentwood Justice and Social Responsibility Commission.



Thanks are due to Miriam McHardy, Co-ordinator for Justice & Peace for the Archdiocese of St Andrews and Edinburgh from whose "Guide to Parishes" much has been borrowed and also to Rev Paul Nicolson from the Zacchaeus 2000 Trust and Alison Gelder from Housing Justice who have made valuable contributions.

Although parts of this booklet are relevant to people with disabilities it deals specifically with changes to working age benefits. Further information on specific changes to disability benefits is available from the Campaign for a Fair Society website [www.campaignforafairsociety.com](http://www.campaignforafairsociety.com)

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