

Forthcoming Changes

Summary of Welfare Reform Changes April 2011 - April 2017

2011/12		
Date	Area	Detail
01/04/2011	Local Housing Allowance (LHA)	Excess payment of up to £15 is abolished. It is being removed from existing claimants on their anniversary date or when there is a relevant change, whichever is earlier.
		5 bedroom rate of LHA is abolished and the maximum LHA rate is now 4 bedrooms. Existing claims will be re-assessed on their anniversary date or when there is a relevant change, whichever is earlier.
		LHA caps are introduced for each size category, e.g. maximum of £400 per week for 4 bedrooms. No impact on Forth Valley rates which are all set below the cap levels.
		LHA rates are now calculated using the 30th percentile figure rather than the 50th. This will have resulted in the rates we use to calculate LHA reducing from April 2011. The reduced rates will apply to all new claims. Existing claims will be reassessed on their anniversary date or when a relevant change occurs, whichever is earlier and transitional protection may apply for up to 9 months.
		Non-resident carers will be included in the room calculation for LHA.
	Housing and Council Tax Benefit (HB/CTB)	The rates of the non-dependant deductions (NDDs) are increasing by up to £12.85 per week. For the last few years it has only been the income bands that have changed, not the deductions.
	Discretionary Housing Payments (DHPs)	Increase in funding to Falkirk Council for expenditure on DHPs to £11,150. A substantial increase is expected in 2012.
	Working Tax Credit (WTC)	The percentage of child care costs paid through WTC reduces from 80% to 70%. The basic and 30 hour elements will be frozen for three years.
Child Tax Credits (CTC)	Increase in child element, and again in April 2012.	
Council Tax (CT)	Council Tax for the Falkirk Council area for 2011/12 remains frozen for the 4th consecutive year.	
Savings Credit (SC)	The maximum Savings Credit amount will be frozen for four years.	
01/07/2011	Employment and Support Allowance (ESA)	The migration to Employment and Support Allowance (ESA) from Incapacity Benefit, Income Support as a result of disability and Severe Disablement Allowance will be rolled out nationally from July 2011 - March 2014.

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2012/13		
01/01/2012	Local Housing Allowance	The Shared Room Rate is to be extended to apply to single claimants under 35, from the current position of applying to those under 25.
01/04/2012	Working Tax Credit	Increase in the number of hours of work required for a couple with children to qualify for WTC from 16 to 24, with one partner working at least 16 hours.
	Employment and Support Allowance	Contribution based ESA with Work Related Activity component time limited to one year.
01/01/2013	Child Benefit	Withdrawn from families with a high rate taxpayer (earning above approximately £42,000).
2013/14		
01/04/2013	Council Tax Benefit	Council Tax Benefit is not currently included in Universal Credit, although there is provision in the Welfare Reform Bill. From April 2013, it is being devolved to Scotland and the Scottish Executive will implement a model rebate scheme with each Local Authority adopting their own variant.
	Local Housing Allowance	LHA rates will not be determined through analysis of the rental market and instead will increase in line with the Consumer Prices Index (CPI).
	All Benefits	The total amount of benefits awarded to workless households will be capped at the median level of income after tax for a working household (expected to be around £500 per week for lone parents and couples, £350 per week for single adults). The cap includes Housing Benefit but does not apply to households receiving Disability Living Allowance, War Widows or Working Tax Credit. There is increasing pressure on the government to abolish the introduction of a cap.
	Fraud	Single Fraud Investigation Service created to deal with DWP, HB and Tax Credit fraud.
01/10/2013	Universal Credit / Impact on Housing Benefit	Universal Credit will replace the various means-tested working age benefits (including JSA, IS, Housing Benefit, Tax Credits) to simplify the claiming process, reduce fraud and error and ensure that it is more beneficial to be in work than out of work. The government intends to introduce this in October 2013 for new claims, with the existing working age caseload being transferred over by end of 2017.
2014/15		
01/10/2014	Housing Credit	Housing Credit is being introduced to replace HB for pension age claimants and will be paid as a third element of Pension Credit. It is expected to be introduced in October 2014 for both new claims and the existing caseload.

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2016/7		
01/04/2016	State Pension Age	The increase in State Pension Age for women is to be accelerated from April 2016 so that it reaches 65 by November 2018 and then both men and women will rise to 66 by April 2020. The planned increase to 68 is likely to be accelerated too.
2017/18		
31/12//2017	Universal Credit	Universal Credit replaces the various means-tested working age benefits (including Housing Benefit) for all claimants.
Date uncertain	Social Housing	It is not clear if this will apply in Scotland, but new social housing tenants will be charged at a rent level between social housing and market rents and will not get a lifelong tenancy