

'at a glance guide to'



Benefit Changes in the HM Treasury Autumn Statement 2016

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Area of Benefits Affected	Benefit Change	Reference- Autumn Statement 2016 and Policy Costings document
Benefit changes		
Universal Credit Earnings Taper reduced (slightly)	From April 2017, the earnings taper rate that applies in Universal Credit will be reduced from 65% to 63%. Costing £425 million per year in 2021/2022. Note this is dwarfed by savings of £3.5 billion made by the treasury when work allowances(earnings disregards) were reduced in April 2016.	5.3
PIP Descriptors changes and cuts not to go ahead	Confirmed that the cuts to PIP previously announced in the Budget 2016 will not go ahead. Was to have saved £1410 million per year in 2021/2022.	5.6
Past Presence Test for Refugees scrapped	For those granted refugee, Humanitarian Protection or Discretionary Leave and their family members, meaning that they will no longer have to be resident in the UK for 2 years before they can receive disability benefits. Costing £20 million per year in 2016/2017.	5.5
Pay to Stay	The government has decided not to implement Pay to Stay, under which local authority tenants with taxable incomes over £31,000 (or £40,000 in London) would have been required to pay a market, or near market, rent.	5.7
Tax Credit Claims online	HMRC will allow new Tax Credit claims to be made using digital devices from April 2017.	5.8
Child Tax Credit- Disability Elements in year adjustments	HMRC will make in-year award adjustments so the disability elements of Child Tax Credit will be paid to a group of recipients who are eligible, but not currently receiving this entitlement.	5.9
LHA Cap- Local Housing Allowance (LHA) rates in social housing	The implementation of the cap on Housing Benefit and LHA rates in the social rented sector will be delayed by 1 year, to April 2019. The cap will be applied to all supported housing tenancies from April 2019, and the government will provide additional funding to Local Authorities, so that they can meet the additional costs of supported housing in their area. Saving £125 million per year in 2021/2022.	5.5

Social rent downrating	Refuges, almshouses, Community Land Trusts and co-operatives will be exempt from the policy to reduce social sector rents by 1% a year for 4 years. Costing £280 million per year in 2016/2017.	5.5																					
LHA CAP-Local Housing Allowance (LHA) rates in social housing	For general needs housing, the cap will now apply from April 2019 for all tenants on Universal Credit(regardless of tenancy start date), and to Housing Benefit tenants whose tenancies began or were renewed since April 2016.	5.5																					
Welfare Cap Forecast-Medium term target introduced and margin of error of 3%	<table border="1"> <thead> <tr> <th>£billions</th> <th>2016/17</th> <th>2017/18</th> <th>2018/19</th> <th>2019/20</th> <th>2020/21</th> <th>2021/22</th> </tr> </thead> <tbody> <tr> <td>new Medium term Welfare Cap</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>126</td> </tr> <tr> <td>interim pathway</td> <td>119.8</td> <td>119.6</td> <td>120.1</td> <td>120.5</td> <td>123.2</td> <td>-</td> </tr> </tbody> </table>	£billions	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	new Medium term Welfare Cap	-	-	-	-	-	126	interim pathway	119.8	119.6	120.1	120.5	123.2	-	2.23 executive summary
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Spending review and Autumn Statement date 23 11 2016

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