**COMING INTO EFFECT 9 APRIL 2018**

**Work Allowances**
These regulations amend regulation 22 of the Universal Credit Regulations in order to uprate the work allowances. Work allowances are the amount of money that people can earn before their benefit is affected. The work allowances are being uprated by the CPI rate of 3% rounded to the nearest pound:

* Lower work allowance, for claimants whose UC award includes housing costs element AND WHO HAS dependent children OR limited capability for work, increased from £192 to £198
* Higher work allowance, for claimants whose UC award does not include housing costs element AND WHO HAS dependent children OR limited capability for work, increased from £397 to £409.
* Work allowance remains at £0 if claimant does not have children or limited capacity for work. This means that starting from the first £1 they earn, they will lose 63p in the £ in Universal Credit.

**COMING INTO EFFECT 11 APRIL 2018**

**Transition to Universal Credit Housing Payment (2 week run-on of HB)**
These regulations amend various provisions in the Transitional Regulations to allow payment of Housing Benefit to continue for two weeks after a claim for Universal Credit has been made, without it affecting a claimant’s Universal Credit entitlement.

Regulation 6(7)(a) and (b) provides for a transitional housing payment for claimants who migrate to Universal Credit when they are in receipt of Housing Benefit. The new paragraph (2A), which is inserted into regulation 8 (termination of existing benefits), allows a Housing Benefit award to continue for a period of two weeks beyond the day on which the person becomes entitled to Universal Credit. Regulation 6(8) also inserts a new regulation 8A which provides that, pending the decision on the claim, the claimant is treated as entitled to Universal Credit for the purposes of the Housing Benefit award, and where the claimant makes a claim for Universal Credit because they have moved home, Housing Benefit will be paid directly to the claimant for the period of two weeks beginning with the day on which they become entitled to Universal Credit. Regulation 6(2)(b) and (10)(a) makes minor consequential amendments

**Temporary Accommodation**
These regulations provide that Universal Credit claimants cannot get the housing cost element whilst living in temporary accommodation and will instead be able to claim Housing Benefit for their temporary accommodation rent liability. By allowing Housing Benefit to be paid, this change reinstates the previous process which ensures that Local Authorities recover the money as before. Claimants will retain an underlying entitlement to the housing cost element during the transition from Universal Credit to Housing Benefit to ensure they remain eligible to claim Discretionary Housing Payments should they require additional assistance.

Except in those cases where the claimant moves on the last day of their assessment period, someone with a housing liability in Universal Credit who moves to temporary accommodation will lose up to one month’s housing element at the point of transition. It is for this reason that the transitional provisions have been amended to allow for Discretionary Housing Payments in such cases. See the Explanatory Memorandum paras 7.27 to 7.29 for an example of how this will work in practice.

Regulations 2, 3(2)(c), (12) and (13)(a), (b)(i)(bb) and (ii) and (c) to (h), 6(2)(a), (3) to (6), (7)(c) and (10)(b) and 8(2) and (3) make provision in relation to “temporary accommodation”

Regulation 2 amends the Discretionary Financial Assistance Regulations 2001 to provide that a local authority may award a discretionary housing payment to a person for any Universal Credit assessment period when the person would have been entitled to Universal Credit housing costs were it not for the fact that the person occupied specified accommodation (defined in paragraph 3A of Schedule 1 to the Universal Credit Regulations) or temporary accommodation.

Regulation 3(12) amends Schedule 1 to the Universal Credit Regulations to prevent payments for temporary accommodation being classed as rent payments for the purposes of calculating the housing element of Universal Credit, and makes other consequential changes to that Schedule. Regulation 3(13)(a), (b)(i)(bb) and (ii) and (c) to (h) makes consequential amendments to Schedule 4 of the Universal Credit Regulations to omit references to temporary accommodation which are no longer necessary. Regulation 3(2)(c) makes minor consequential amendments.

Regulation 6(3) inserts a definition of “temporary accommodation” into the Transitional Regulations. Regulation 6(4), (6), (7)(c) and (10)(b) amend various provisions in the Transitional Regulations which allow for dual entitlement to Universal Credit and Housing Benefit in respect of claimants occupying specified accommodation, so that they also apply to claimants who are occupying temporary accommodation (and those receiving transitional housing payments under regulation 8(2A) (inserted by regulation 6(7)(b) of these Regulations)). Regulation 6(5) inserts new regulation 5A into the Transitional Regulations. The new regulation provides that where in a Universal Credit assessment period a person is entitled to Universal Credit (without the housing costs element) and is also entitled to Housing Benefit for temporary accommodation, the person is to be treated for the purposes of work allowances in Universal Credit as though the person were entitled to Universal Credit with the housing costs element.

Regulation 8(2) and (3) makes saving in respect of the amendments in these Regulations concerning temporary accommodation. The amendments will not apply to an award of Universal Credit that exists on 10th April 2018 which then includes the housing costs element for temporary accommodation until the claimant’s liability to pay rent or service charges changes or the award ceases to include the housing costs element, whichever occurs first.

**Providing evidence to verify advantageous changes in circumstances**
These regulations amend regulation 33 of the Decisions and Appeals Regulations to reduce the number of days within which a claimant is required to supply information and evidence in relation to a change of circumstances that would result in an increase in benefit, from one month to 14 days. See the Explanatory Memorandum paras 7.17 to 7.19 for more details

**Work Search and Work availability requirements**
At present, a claimant who is unwell for up to two periods of fourteen days in a rolling 12 month period is not required to meet work search and work availability requirements while they are unwell. These regulations amend regulation 99 of the Universal Credit Regulations (and makes equivalent amendments to regulation 16 of the Jobseeker’s Allowance Regulations 2013) to prevent work search and work availability requirements being automatically switched off for illness in certain circumstances.

The amendments apply to claimants who have undergone a work capability assessment and been found not to have limited capability for work, and to claimants who have failed to attend a medical examination or comply with a request for information and are treated as not having limited capability for work. In other words, claimants who are, or are treated as being, fit for work. Where such claimants produce evidence that they are unfit for work and the condition mentioned in the evidence is the same, or substantially the same, as the condition for which they were assessed in the work capability assessment, work search and work availability requirements will only be switched off if they have been referred for another assessment as to their capability for work.

**Assessment Period Adjustment**
When a claimant makes a claim for Universal Credit, their monthly assessment period cycle is set from their first date of entitlement for the entire duration of their award. For some people, however, the first date of entitlement may change, for example because the decision on their award has been revised. Currently this means recalculating the award for the whole period, and this can cause difficulty, disruption or some other disadvantage to the claimant or in the administration of their claim. To resolve this, these regulations amend regulation 21 of the Universal Credit Regulations to make provision for the length of the first assessment period to be adjusted as appropriate (to be more or less than one month) so that subsequent assessment periods remain as previously fixed. See the Explanatory Memorandum paras 7.4 to 7.6 for more details

**Surplus-earnings**
The regulations make a number of changes to the Universal Credit (Surpluses and Self-employed Losses)(Digital Service) Amendment Regulations 2015 which make provision to smooth the peaks and troughs of losses and earnings so that a fairer assessment as to Universal Credit entitlement is made over a period of time, longer than one month. These surplus-earnings regulations had been delayed but we now have an implementation date

These provisions are complex, so I will be issuing a further briefing to explain them. In the meantime, see the Explanatory Memorandum paras 7.7 to 7.10 for a brief summary.

S**tudents claiming Universal Credit**
These regulations amend regulation 89 of the Universal Credit Regulations in relation to a claimant who is receiving education and who is entitled to Universal Credit because they are a member of a couple. Such claimants will not be subject to work-related requirements if they have student income taken into account in the calculation of their Universal Credit award.

**Housing costs: ex-service personnel**
Currently claimants aged 18-21 years are not generally entitled to the housing element of Universal Credit. There regulations amend paragraph 4B(1)(b) of Schedule 4 to the Universal Credit Regulations to add claimants who receive the Armed Forces Independence Payment (which is included in the definition of Attendance Allowance in regulation 2 of the Universal Credit Regulations) to the list of exemptions for vulnerable groups, so that such claimants can be awarded the housing element.

**Unearned Income**
These regulations amend regulation 66 of the Universal Credit Regulations to allow for foreign state pension income and pension protection fund payments to be taken into account as unearned income in the Universal Credit assessment.

**GUIDANCE**

The Explanatory Memorandum advises that The DWP will issue an Advice to Decision Makers memo to be published on the DWP Intranet to ensure that staff are aware of the changes introduced by this instrument. The memo will also be published on the Gov.uk website for the public in time for the coming into force of the instrument on 31st January 2018. Amendments are not required to the Decision Maker’s Guidance as this instrument does not affect any benefits covered in the Decision Maker’s Guidance. Guidance will also be available for the housing policies in this instrument for Local Authorities and DWP staff in time for the coming into force of the instrument.