

# TAKE CONTROL OF YOUR FINANCES

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## **Burnley's essential welfare reform toolkit**

You will have heard a lot in the news lately about welfare reform and the changes to benefits.

For many people there will be less money to go round and more pressure on household budgets.

This leaflet is for people aged between 16 and 64, who are most affected. It explains the changes and where you can get help.



**Burnley.gov.uk**

Burnley Council... working in  
partnership to support the community

# Housing benefit cuts for people who rent from a housing association

(Also known as 'under occupation' or 'bedroom tax')

## How am I affected?

If you rent from a housing association (e.g. Calico, Accent, Anchor), housing benefit has been reduced if you have more bedrooms than the Government say you need for your family. The amount allowed for rent and any service charges will be reduced by:

- 1 bedroom - 14%
- 2 bedrooms or more - 25%

## Help with moving

If you wish to move to a smaller property, contact your landlord. You will be prioritised for rehousing under the B-with-Us scheme. You will then be able to select homes from a number of different landlords in the local area.

**Contact:** [www.b-with-us.com](http://www.b-with-us.com) or call us on 0300 123 22 00

## What if I am struggling to pay my rent?

Contact your landlord now to discuss payment options!

On a short term basis, you can apply for a discretionary housing payment (DHP) to make up all or some of the reduction in rent. DHPs are cash limited funds for those suffering hardship in paying their rent.

## Get housing advice

Contact Burnley Council's housing advice team for advice on finding a home or remaining in your current home. The team could help you pay a bond deposit and can help tenants deal with issues with their landlord. Struggling home owners may be able to access our mortgage rescue scheme.

## Worried about homelessness?

If you are homeless or threatened with homelessness, the council will assess your needs and you may be offered temporary accommodation.

To claim hardship payments, pay your council tax or to contact the housing advice team

# Council tax support

## How am I affected?

The national scheme of council tax benefit has been replaced by council tax support. Cuts in Government funding for the new scheme mean that it has not been possible to award the same amount of help towards the cost of council tax. Pensioners are not affected by these cuts, but people of working age will see a decrease in the benefit they get.

## What if I am struggling to pay?

Many customers will not have had to pay council tax before so please contact the council as soon as possible after receiving your bill if you are having difficulty in making payments. We want to help you pay your council tax without incurring additional charges for non-payment, such as court costs, which could significantly increase the amount you have to pay.

## Experiencing exceptional hardship?

On a short term basis, you may be able to get an exceptional hardship payment (EHP) to help pay your council tax. EHPs are cash-limited funds to help those who are experiencing exceptional hardship in paying their council tax.

## How do I pay?

The easiest way to pay your council tax is by direct debit. You can choose to have your payment taken out on the 1st, 7th, 16th, 23rd or 30th of the month with 10 months, 12 months and weekly options available. Contact the council to set up a direct debit.

**NEW:** The council has also introduced a new fortnightly direct debit option for council tax. This fits with fortnightly welfare benefit payments to make it easier for you to manage your money.

# Personal independence payment

(replacing disability living allowance)

## How am I affected?

Disability living allowance (DLA) is being replaced by personal independence payment (PIP). PIP helps towards some of the costs you may have because of a long-term health condition or disability.

## Who will be affected?

The change only applies if you're aged 16 to 64. Children and people aged 65 or over who are already getting DLA will be unaffected.

## How will this affect you?

If you receive DLA, you will get a letter inviting you to make a claim for PIP. The rules to qualify for PIP are stricter than for DLA. If your award is reduced, this will affect how much you get in other benefits; for example, less housing benefit.

# Universal credit

## How am I affected?

If you're of working age and already getting income support, jobseeker's allowance, employment and support allowance, child tax credit, working tax credit, and/or housing benefit, you'll continue to get them for the time being. However, universal credit will eventually replace these benefits and will be combined into one single monthly payment which will be paid directly into your bank account. You will be responsible for managing your monthly budget and also for setting up rent payments to your landlord as housing benefit will no longer go to your landlord directly. You will need to claim universal credit online.

## What should I do now?

If you're already getting benefits or tax credits, you don't need to do anything now. The Department for Work and Pensions (DWP) will write to you when they're ready to convert your claim to universal credit. It's expected that all claims will have been transferred over by 2017.

# Universal credit - preparing for change

## Set up a bank account

Pennine Community Credit Union can help you organise your monthly budget. They offer:

- a universal credit account
- a rent direct account
- long and short term savings accounts
- ordering goods through our co-op electrical scheme. Appliances are available at internet prices, with free delivery and disposal of old goods
- christmas club account
- loan accounts
- pre-paid cards

**Warning: Don't fall prey to the pay-day loan sharks!**

Loan sharks, doorstep lenders, payday loans, cash advance loans, and even weekly payment stores are all HIGH INTEREST LOANS. When paying a loan back to a doorstep lender, you could pay as much as £120 interest on a £200 loan. With a credit union loan, you could pay as little as £15 interest on the same loan.

**Contact:** Pennine Community Credit Union at [www.pccu.co.uk](http://www.pccu.co.uk), call us on **08000 509747** or visit us at **Calico Homes Ltd, Croft Street Burnley**

## Get online

Getting online and improving your internet skills will help you get ready to claim universal credit. It will also help you to access more job vacancies and get into work quickly. Jobcentres and local libraries have free internet access.

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top-tips

**1.** Using Universal Jobmatch ([www.gov.uk/jobs-jobsearch](http://www.gov.uk/jobs-jobsearch)) enables you to take control of your jobsearch. You can upload or build a new CV online, apply for jobs, tailor your job preferences and receive alerts when new jobs are available. It's 24/7!

**2.** Online skills can also help you to save money. If you do not buy online, you are missing out on savings.

Burnley College can offer you expert free help in getting online, managing money and finding your way around the internet.

They offer training in:

- managing budgets
- using the internet to search for cheaper goods and services
- finding employment using online jobsites
- gaining the skills you need to get a job

**Contact :** **01282 733547** or [a.firth@burnley.ac.uk](mailto:a.firth@burnley.ac.uk) to book your place or for details

# Benefit cap

From April 2013, there will be a limit on the total amount of benefit you can get if you're of working age. This is called the benefit cap. Some people will get less benefit than before although at first, this will only affect you if you're getting housing benefit. If the benefit cap applies to you, your housing benefit will be reduced so you will need to use other income to pay your rent.

The level of the cap will be £500 a week for couples (with or without dependent children), £500 a week for single parents, and £350 a week for single adults.

# The care and urgent needs support scheme (social fund replacement)

Crisis loans and community care grants have been replaced with the care and urgent needs support scheme run by Lancashire County Council.

The scheme supports people in urgent need.

## Who can apply?

To make a claim, you must:

- live in Lancashire, be over 16 and be on a low income such as income support

**AND**

- either be leaving care, or require support to stay in the community

**OR**

- be able to demonstrate that you are without immediate resource to meet the basic needs of you and your family

**Contact:** 0845 0530015

## Citizens Advice

Citizens Advice can help people resolve their problems with debt, benefits, employment, housing, discrimination and many more issues.

**Contact:** Suite A3 Lodge House, Lodge Square, Cow Lane, Burnley BB11 1NN - 01282 450535 (Mon-Thurs 9.30am-12pm) - [www.citizensadvice.org.uk](http://www.citizensadvice.org.uk)

## Step Change

Step Change debt charity provides free and confidential advice over the phone and online, including fee-free debt management plans and other debt solutions.

**Contact:** [www.stepchange.org](http://www.stepchange.org) or 0800 138 1111

## Money Advice Service

Visit [www.moneyadviceservice.org.uk](http://www.moneyadviceservice.org.uk) for free advice on how to manage money and details of the benefit changes.

## Calico - Money Wise

If you rent a house from Calico, the Money Wise team can help you:

- get the right benefits
- with practical advice on living on a budget
- get a better deal for gas and electricity

Visit the office, call 0800 169 2407  
or email [moneywise@calico.org.uk](mailto:moneywise@calico.org.uk)

## Healthy Minds

Debt can cause mental health problems. For advice and support on how to stay positive and healthy through financially difficult times visit:

[www.eastlancshealthyminds.nhs.uk](http://www.eastlancshealthyminds.nhs.uk)

# GET HELP TO MANAGE YOUR MONEY

# MAKE SURE YOU GET WHAT YOU'RE ENTITLED TO

## Help Direct

We work with a number of organisations and community groups. Together, we can help you manage debt problems.

We can also help you access local emergency provision and much more.

Contact: [www.helpdirect.org.uk](http://www.helpdirect.org.uk) or 0303 333 11 11

## Welfare Rights

Lancashire County Council's welfare rights service provides free, independent and confidential advice and representation on benefits and tax credits for people living in Lancashire.

We can:

- help you get all the benefits you are entitled to
- advise and help you claim the right benefits
- help you to appeal if you disagree with a benefit decision

Contact: 0845 053 0013 (Mon-Fri 9.00am - 12.30pm)

## Direct Gov

Check what benefits you may be entitled to at [www.gov.uk/benefitsadviser](http://www.gov.uk/benefitsadviser)

working in partnership

