

Universal Credit Childcare Costs: What will change?

The government has announced changes to childcare support in Universal Credit that will be in effect **from Summer 2023** (exact date unknown). We want to make sure you're aware of these changes and how they may impact you.

One of the key changes is that Universal Credit claimants will be able to get the childcare **costs element paid upfront** when they move into work or increase their hours. You no longer have to wait for the childcare to be provided before getting help with your bills. This means you can get the support you need as soon as you start working more.

Another change is that **from July 2023**, the **maximum amount of the childcare costs element will increase**. For one child, it will go up from £646.35 to £951, and for two or more children, it will increase from £1,108.04 to £1,630. It's important to note that these are the maximum amounts you could ever get, and the actual amount of childcare support you receive will depend on your income and your actual childcare costs.



The rules are complex, so please contact us for a benefit check if you're unsure.



Welcome to our Spring edition!

This newsletter includes information on benefits and housing news & tips to help maximise your income.

Our **Advice Team** provides advice and assistance with **benefits, housing and debt issues & employability**.

To make an appointment: 0131 442 2100 or chai@chaiedinburgh.org.uk

Updates on Cost of Living & Energy Prices



Pre-Payment Meters

Pre-payment meters have been in the news a lot lately. If you use pre-payment meters for your energy supply, it's important to know that you are entitled to vouchers through the Energy Bills Support Scheme. However, 68% of these vouchers in Scotland have not been redeemed, so if you've lost your voucher or never received it in the post, get in touch for assistance.

Cost of Living Payments

If you're receiving state benefits, you may be eligible for Cost of Living payments. The DWP has announced that eligible claimants who received means-tested benefits between 26 January 2023 and 25 February 2023 will receive an automatic payment of £301 between 25 April 2023 and 17 May 2023.

A second payment of £300 will be made in the Autumn, and a third payment of £299 in Spring 2024. Additionally, a £150 disability payment will be issued during summer 2023 to those in receipt of disability benefits, like PIP or ADP. If you're a pensioner household entitled to a winter fuel payment, you'll receive a £300 payment during winter 2023/2024.

The Energy Price Guarantee

The Energy Price Guarantee has been maintained at its current £2,500 per year for an additional 3 months (April to June 2023) with the planned increase to £3,000 per year being postponed until 1 July 2023. This protects customers from increases in energy costs by limiting the amount suppliers can charge per unit of energy used.

In addition, all energy suppliers have committed to ending forced installation of prepayment meters in vulnerable households. They have also signed up to the regulator Ofgem's new Code of Conduct which includes requirements for suppliers to make at least 10 attempts to contact a consumer and carry out a site welfare visit before a prepayment meter is installed.

Finally, it was also announced in the Spring Budget that the **premium paid by households using pre-payment meters will be removed** until the end of the Energy Price Guarantee, with a view then to end it on a permanent basis in the future.

Fuel Deductions

If you're concerned about deductions from your benefits for ongoing consumption of fuel, you should know that since 1 April, energy companies are required to obtain your consent before making any new or increased deductions. This gives you the opportunity to discuss your energy bills with your supplier before agreeing to any ongoing consumption payments, which are then deducted from your benefits.

If you have any questions about any of these topics, please don't hesitate to get in touch with us.

What's New for Home-Owners & Renters?

Home-Owners with Mortgages

Statutory Mortgage Interest (SMI) Loans

Changes have been made to eligibility criteria for Statutory Mortgage Interest (SMI) Loans, which are loans that home-owners can take out to help pay the interest on their mortgage, if they claim means-tested benefits (like Universal Credit). The loan is repaid when the property is sold or the homeowner passes away.

Home-owners used to have to wait 9 months before being able to apply. Now the waiting period has been reduced to 3 months. In addition, it is now possible for Universal Credit claimants to continue to claim the loan if they start work.

Mortgage Lenders Commit to Tailored Support

UK's major mortgage lenders have committed to offering tailored support to customers who start to struggle with payments. The Financial Conduct Authority (FCA) has also published [new guidance](#) for firms supporting existing mortgage borrowers impacted by rising cost of living.

In brief, mortgage lenders should enable those who are up-to-date with payments to switch to a new competitive mortgage deal without another affordability test. They should also provide well-timed information to help customers plan ahead should their current rate be due to end.

Finally, they should offer tailored support to those who start to struggle with payments, which will vary by lender but may include extending the term of the mortgage to make monthly payments lower, a short-term reduction in monthly payments or accepting interest-only payments for a period.

Private Renters

New regulations have extended protections for private sector tenants that were due to expire on 31 March 2023. The pause on the **enforcement** of evictions for all tenants has been extended until 30 September 2023. However, landlords can still send eviction notices and obtain eviction orders as the pause only relates to the *enforcement* of court and tribunal eviction orders. In addition, many exceptions apply. [Our article on the next page](#) explains this further.

In addition, the new regulations make changes to the rent cap. Until 30 September, private rents cannot be increased by more than 3% (in a 12-month period). Exceptions to the rent cap may apply depending on your tenancy type. The rent cap can also be higher for rent increases meant to cover landlord costs (such as mortgage or insurance premiums), i.e. 6% or 50% of landlord's increased costs, whichever is lower. Tenants can still challenge any rent increases through the Housing and Property Chamber.

New guidance has also been published by the Scottish Government [The Repairing Standard](#) to set out requirements for all private-rented properties to have central heating, a kitchen with adequate space and facilities, and common areas that are safe to use and properly maintained. Landlords have one until 1 March 2024 to meet the updated Standard.



More Protection for Tenants in Scotland?



notable victories for tenants' rights and successfully defend attempts to have them evicted from their homes.

Previously, private landlords were able to end tenancies and evict tenants on a whole range of mandatory grounds. That is, the landlord would only have to show certain facts applied and the tribunal was required to issue an order for eviction. The relevant facts could be that the landlord intends to move into the

The past months have seen some bad, some misleading, and some good news for tenants in Scotland. The bad is that people are losing their homes simply through inaction, not taking sometimes small steps necessary to avoid eviction. Yet, with the right advice and assistance some other tenants are not only keeping their tenancies but helping make notable advances for tenants' rights.

The misleading news is that many believe there to be a ban on evictions in Scotland. Unfortunately, that is not true. Private landlords can still issue notices to their tenants and can apply to the first-tier tribunal for eviction orders. Councils and housing associations can do likewise and apply to the Sheriff Court for evictions. In both instances, cases are going ahead, evictions are still being granted and being carried out.

The "moratorium on evictions" introduced by temporary legislation last October is in fact a range of limitations on some evictions. At best it can mean a delay before an eviction order can be enforced, but in many circumstances an eviction will not be delayed at all. And nothing is preventing landlords issuing notices, then going through the court or tribunal process to obtain an order to evict a tenant from their home.

Yet, **the good news** is that if tenants reach out for advice and assistance there is now more that can be done to protect their homes. So far this year CHAI has helped clients in private tenancies to achieve

premises, or intends to sell, or that the tenant owes unpaid rent. Indeed, in some older tenancies the facts could be that the landlord issued a written notice to the tenant requiring possession of the premises.

That was so in Short Assured Tenancies, the main type of tenancy created before December 2017. In those, a notice under Section 33 of the Housing (Scotland) Act 1988 was referred to as a "silver bullet" because it could not be stopped. If technical points of dates and notice periods were met, then the law said a sheriff and latterly the tribunal *must* grant the eviction order.

Since last October all grounds for eviction have been made discretionary. That is, the tribunal is not forced to grant any eviction order but has room to operate its discretion. In addition to the facts a landlord must establish, the tribunal now must also be satisfied that it is reasonable to grant an order for eviction.

That is important for all private tenants as it means a defence can be put and an argument had that it is not reasonable in the circumstances to evict the tenant from their home. It is especially important to those still in a Short-Assured Tenancy, and CHAI has helped tenants win ground-breaking tribunal decisions in which the tribunal rejected the landlord's application on Section 33 for an eviction order. The old "silver bullet" is no more and if assistance is sought, **homes can be saved**.

An Update on Scottish Benefits

Best Start Foods

More than £2 million of Best Start Food Payments **remain unused** since the scheme launched in Scotland in 2019. Through this scheme, you get a smart card which is topped up every 4 weeks with £39.60 if you have a baby under 1, and £19.80 (per child) if your children are aged 1 to 3.

Under the scheme, you can buy **healthy foods** such as milk, infant formula, fruit and vegetables (fresh, frozen or tinned), eggs and pulses. The smart card can be used in any shops that sell food throughout Edinburgh.

To qualify, you must be in receipt of means-tested benefits and if you work, you must earn below certain thresholds, although the Scottish Government has pledged to remove these earnings thresholds sometime in 2023/24. **Apply online** or mygov.scot/benefits or phone 0800 182 2222.

Timetable 2023-2025

Social Security Scotland have released their timetable of delivery for the next 2 years. The **Carer Support Payment** (replacing Carer's Allowance) and the **Pension Age Winter Heating Payment** (replacing the Winter Fuel Payment) will be launched in **2024**.

In **2025**, the **Pension Age Disability Payment** will replace Attendance Allowance for people over pension age and a new benefit, the **Carers Additional Person Payment**, will also be launched, which will be paid at a rate of £10 for each additional person for whom a carer is providing at least 20 hours of care, in addition to the 35 hours they spend caring for the first person every week.

No major changes will be made to these new Scottish benefits which will be modelled after their UK equivalents in the first instance.



New benefit rates for 2023/24

The Scottish benefit rates have been updated for the new tax year, as follows:

Benefit	2022-23	2023-24
Young Carer Grant	£326.65	£359.65
Funeral Support Payment		
Higher rate	£1,070.60	£1,178.75
Lower rate	£130.65	£143.85
Removing medical devices	£21.55	£23.75
Child Winter Heating Assistance	£214.10	£235.70
Carer's Allowance Supplement	£245.70	£270.50
Winter Heating Payment	£50.00	£55.05
Job Start Payment		
Standard rate	£267.65	£294.70
Higher rate	£428.25	£471.50
Best Start Grant		
Pregnancy and baby – 1 st child	£642.35	£707.25
Pregnancy and baby other children and extra payment for twins/triplets	£321.20	£353.65
Early learning	£267.65	£294.70
School	£267.65	£294.70
Best Start Foods		
Lower rate	£4.50	£4.95
Higher rate	£9.00	£9.90
Child Disability Payment		
Care lower	£24.45	£26.90
Care middle	£61.85	£68.10
Care higher	£92.40	£101.75
Mobility lower	£24.45	£26.90
Mobility higher	£64.50	£71.00
Adult Disability Payment		
Daily living standard	£61.85	£68.10
Daily living enhanced	£92.40	£101.75
Transitional rate	£24.45	£26.90
Mobility standard	£24.45	£26.90
Mobility enhanced	£64.50	£71.00

More Help With the Benefit Cap!

The Scottish Government wants to help people who are affected by the benefit cap. They've put more money into something called Discretionary Housing Payment (DHP), which means they have **£6 million to help people in 2023/2024.**

The benefit cap is the most money you can get from benefits. The most you can get is £1,229.42 per month if you're single, or £1,835 per month if you're a couple or a single parent. But some people are exempt from the benefit cap if they work or get certain benefits like carers' or disability benefits.

The good news is that if the benefit cap has taken away some of your money, **you can apply for DHP and you will be guaranteed to receive it** as long as you get some housing benefit or universal credit housing costs.

You can apply for DHP to help with the benefit cap **from 1 January 2023** onwards, and **you don't need to fill in a long application form** - just give the council some basic information.

You can also apply for DHP **before 1 January 2023**, but will need to formally apply and submit proof of income and expenditure. If you need help with this, you can make an appointment with one of our advisers.



28 Westfield Avenue
Edinburgh EH11 2QH
0131 442 2100
chai@chaiedinburgh.org.uk
Charity No. SC. 027594

Web: www.chaiedinburgh.org.uk

Facebook: @CHAI.Edin

Instagram: @chaiedinburgh

Twitter: @CHAIedinburgh

LinkedIn: www.linkedin.com/company/community-help-advice-initiative



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