

# Housing Benefit Direct.....

May 2009

Issue 89

## Editorial

I'm sure you'll agree it's been a busy month all round. It has been particularly busy here, in the run-up to the Budget, and taking forward the Housing Benefit Review.



Apologies for not getting out and about recently as much as I would like – I'm keen to make more visits as soon as possible – but good to see some of you at the one or two events and conferences I have been able to get to. At these, I have been outlining the themes of the review, how to improve work incentives and how to make the system fairer overall, particularly in comparison with low income households. Lots of ideas have been generated, and we hope to say more about the consultation shortly. You may have picked up that, in the Budget, the Chancellor included a number of changes to Housing Benefit – please see the article inside which contains more details. The main change is the decision to remove the £15 excess over the contractual rent that some LHA recipients can get.

There are also changes to the capital rules for pensioners and to the permitted work rules for those getting ESA, IB and SDA. Importantly, we are continuing to monitor the likely impact of rising unemployment on HB administration, and we will be in a position to consider the case for additional resources should this be justified. We do need as comprehensive a SHBE return as we can get to help build the case!

With all these changes, we are working to give you further information as soon as we can. Meanwhile, I am very pleased with the progress we are making with Government Connect. As you know, we are looking to make more operational improvements shortly, including e.transfer of claims information, and we need you all to have the Government Connect infrastructure in place in order to do this. Best wishes.

*Paul Howarth, Head of Housing Benefit Strategy Division*  
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## Changes of contact details

Corporate Document Services (CDS), who publish and distribute both electronic and hard copy communications on behalf of DWP, have found that there has been a significant increase in the amount of failed deliveries of mail to LAs.

If you receive hard copies of our communications it is important that you provide CDS with changes to your contact details or let them know if you no longer wish to receive hard copy material.

This applies to those who receive hard copies of circulars or amendments to the following guides

- HB/CTB Guidance Manual
- HB/CTB Subsidy Guidance Manual
- HB/CTB Overpayments Manual
- Local Housing Allowance Guidance Manual

If your contact details have recently changed, or change in the future, you need to provide CDS with

- the name of the publication(s) you receive
- to whom they are/should be sent, eg Benefits Manager or Overpayments Manager
- the name of your authority/organisation, and
- the correct postal address (including postcode)

This information should be supplied, via e-mail, to

✉ [HB-Direct@cds.co.uk](mailto:HB-Direct@cds.co.uk)

# Customer Management System Release 10



HB/CTB General Information Bulletin G7/2009 provided a more detailed explanation of the changes introduced in Customer Management System (CMS) Release 10 and their impact on the HB/CTB claims process but we thought it would be worth including this again in case you missed it.

Release 10 was delivered on 20 April 2009 and builds on the successful implementation of previous releases by introducing a series of initiatives that will directly impact LAs.

**Backdating for HB/CTB Claims:** The customer will be asked if they wish to claim HB and/or CTB from a date earlier than the Initial Date of Contact. This information, if appropriate, will be recorded in the backdating section of the Local Authority Input Document (LAID). However, if the customer wishes to have their HB/CTB claim backdated to a different date than their Jobcentre Plus benefit this will be recorded within the case notes section.

**Non Dependant Benefit Types:** CMS is being updated to reflect the introduction of Pension Credit and income-related Employment and Support Allowance (ESA (IR)). The appropriate question has been changed to prompt the user to establish if the non-dependant receives Pension Credit or ESA (IR).

**Non Work Focus Interview Claims (WFI):** The Jobcentre Plus process has been changed for those customers who do not require a WFI. In these cases the LAID will not contain details of any verification. However, verification will be undertaken by Jobcentre Plus at the Benefit Delivery Centre (BDC) and will be sent to you under separate cover.

Analysis shows that this will only affect a small number of customers.

**Jobseeker's Allowance Rapid Reclaims:** CMS will now gather information to support Rapid Reclaims to Jobseeker's Allowance (JSA). Customers wishing to claim HB/CTB will still be issued a clerical claim form.

Other changes that have a minimal impact on the LAs are

- Alternative Contact Number
- Habitual Residence Test

Further information available from [HBSDMP.WWEG@DWP.GSI.GOV.UK](mailto:HBSDMP.WWEG@DWP.GSI.GOV.UK)

## HBMS decommissioning update

The Single Housing Benefit Extract (SHBE) replaces the need to collect most HB/CTB data clerically - bringing together the Housing Benefit Strategy Division/Information Analysis Division (HBSD/IAD) and Housing Benefit Matching Service (HBMS) scans into one single extract.

Collection of the SHBE began in July 2008 – and was not without its difficulties as the process bedded in. As the data collection and loading processes are now working smoothly all authorities are expected to provide this data in line with the published timetable, see *HB/CTB Circular A7/2009*.

To date we have successfully decommissioned 136 LAs from HBMS. Their SHBE extract is now being used for full HBMS data matching with output as expected. 98.5% of you are now returning this data, with over 95.6% having returned at least four extracts.

### What does this mean for you?

- If you are one of the 136 you should have noticed little change from the HBMS extract. One will be the increase of fields which now include the future reintroduction of savings data and tax credit data. At present we are still requesting that results are sent back in the same way.
- We are aiming to decommission all LAs by July 2009. You can be reassured that we will only switch off HBMS extracts when we are satisfied that an exact replica can be made.

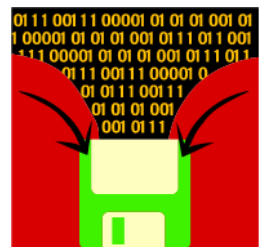
Due to software issues we have postponed the final switch off until July 2009.

LAs not returning the SHBE regularly will not receive HBMS data matching products following the final decommissioning of the HBMS extract at the end of July 2009.

If you would like further information about this initiative please contact us on

[PEELPARK.IFDHBIDCOMMS@DWP.GSI.GOV.UK](mailto:PEELPARK.IFDHBIDCOMMS@DWP.GSI.GOV.UK) or

0125 368 8500



Need an answer? Post your questions and suggestions to [HB-Policy-FAQ@dwp.gsi.gov.uk](mailto:HB-Policy-FAQ@dwp.gsi.gov.uk)

## Budget 2009 – Housing Benefit measures

You may be aware of the announcements made by the Chancellor in the Budget last month concerning HB. The four main changes are the

- removal of Local Housing Allowance (LHA) £15.00 cap from April 2010
- increase of capital limit for Pension Credit and pensioners receiving HB/CTB
- new permitted work earnings disregard, and
- introduction of changes to the way overpayments of HB are calculated on change of address



As the Budget documents state, the overall costs of the LHA have exceeded planned expenditure and therefore it was necessary to bring the costs in line with what is affordable, in a way which ensures that customers affected are not left with a shortfall.

For LHA the key points to note are that

- customers who make new claims or change address on or after 5 April 2010 will not be entitled to any excess over their contractual rent. (This will mean that an excess up to £15.00 over the contractual rent if it is below the LHA rate cannot be paid anymore)
- existing customers already in receipt of an excess up to a maximum of £15 will move onto the new scheme on the anniversary of their claim

The increase to the lower capital limit in Pension Credit and pensioner HB/CTB were announced in response to the potential impact of the current economic downturn on pensioners with savings. Historically low interest rates have particularly affected pensioners who are more likely than people of working age to draw income from savings.

The change will apply from November 2009 and will mean that capital of £10,000 or less will be disregarded in Pension Credit and pensioner HB/CTB, an increase of £4,000. The lower capital threshold for customers living in residential care will remain at £10,000.

Currently, Employment and Support Allowance (ESA) (income-related or contributory), Incapacity Benefit (IB) or Severe Disablement Allowance (SDA) customers undertaking permitted work may earn up to £92 a week without it affecting any of those benefits. However, except where income-related ESA is awarded, their HB/CTB are reduced on all earnings above £20. These rules may act as a disincentive for customers to try out work.

It is important to encourage customers of those benefits to take steps that will help them to return to full-time work, wherever possible. This includes undertaking paid work. Therefore, to remove the disincentive a new permitted work earnings disregard of up to £92.00 a week will be introduced in HB/CTB for customers who are claiming contributory ESA, IB or SDA. This will align with HB/CTB permitted work policy for those getting income-related ESA. Current plans are to introduce the change from April 2010.

From April 2010, the way overpayments of HB are calculated when a customer changes address within the LA's area will also change. We intend to introduce a new regulation, which will reduce overpayments in cases where the HB is payable to the same person at both the old and new addresses, by applying a simple 'offset' against the HB entitlement at the new property. Applying the 'offset' will mean that in the majority of cases the overpayment will be reduced to nil.

Over the next few months further work will need to be done to determine how the changes will be introduced and work in practice. We are starting work on the design of this policy change. We hope you will bear with and as soon as we have more detail about how the policy will work in practice, we will let you know. We will shortly begin discussions with your associations to see how best we can support you with implementation activity.

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LHA Reform Team

## State Pensions reform – telling people about the changes

In the coming months, the Department for Work and Pensions (DWP) will start a long-term communications programme about retirement planning. This will include providing customers with information about the changes to State Pensions which will start from 2010, making State Pensions fairer and more widely available.

Between now and April 2010, we will communicate with the customer groups most immediately affected by the changes to State Pensions. One of our main objectives is to help people identify whether they are affected and, if so, when.



These groups include

- 1 Women born between 6 April 1950 and 5 April 1955, as they are affected by the rise in State Pension age from 60 to 65. As explained in a previous article we are writing to all these women between April 2009 and January 2012 to tell them about the gradual increase in State Pension age.
- 2 People currently receiving benefits (for example, JSA) and/or are likely to claim benefits in retirement (for example, Pension Credit, HB, Winter Fuel Payment). People in this group will be affected by the changes because the entitlement ages for certain benefits will change in line with the increase in State Pension age.
- 3 People who can claim their State Pension before 6 April 2010 but have deferred, or may be considering deferring, their claim. People considering deferring their State Pension until on or after 6 April 2010 need to be aware that, after that date, they will not be entitled to certain increases for adult dependants (known as adult dependency increases) when they claim their State Pension.
- 4 People approaching, or already over, State Pension age who may not have sufficient National Insurance Contributions to qualify for a full Basic State Pension. Some of these people may be able to improve their State Pension by buying additional National Insurance contributions or through the changes that will make it easier to get a State Pension based on a partner's National Insurance contributions.
- 5 People of working age who will have significant caring responsibilities at any time from 6 April 2010 and who may be able to benefit from the new Carer's Credit.

We also aim to ensure that customers living abroad, who are affected by the changes, have access to relevant information.

**For further information about State Pension reform** contact Elizabeth Ruffley on ☎ 01253 688579 or visit [www.thepensionservice.gov.uk](http://www.thepensionservice.gov.uk)