

Housing Benefit and Council Tax Benefit

General Information Bulletin

Department for Work and Pensions, The Adelphi, 1 - 11 John Adam Street, London WC2N 6HT
<http://www.dwp.gov.uk/housingbenefit/>

HB/CTB G17/2008

8 September 2008

Contact	Queries about the <ul style="list-style-type: none">• technical content of this bulletin, contact details are given at the end of each article• distribution of this bulletin, contact Corporate Document Services Ltd Orderline<ul style="list-style-type: none">- Email: orderline@cds.co.uk• bulletin in general, contact Kath Murphy<ul style="list-style-type: none">- Email: Kath.Murphy@dwp.gsi.gov.uk
Who should read	All Housing Benefit (HB) and Council Tax Benefit (CTB) staff
Action	For information

Contents

page

Annual Pension Credit take up campaign and changes to the backdating rules.....	2
Summary and final reports for <i>Reporting Changes in Circumstances: Tackling Error in the Housing Benefit System (Standard Housing Benefit cases)</i>	3
LA claim processing address – reminder.....	5
HB/CTB Circular A12/2008: Extended Payment Schemes – clarification on paras 45 and 110.....	5
New Tax Credits on CIS	6
HB/CTB Circular A14/2008 (Revised) – clarification on student rates.....	7
Pension Credit Assessed Income Period reviews	7
Appendix A: Assessed Income Period review breakdown.....	11

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Annual Pension Credit take up campaign and changes to the backdating rules

Introduction

- 1 Every year The Pension Service undertakes a national campaign to increase the number of people in receipt of Pension Credit. To deliver this, The Pension Service works closely with Local Councils, Age Concern, Help the Aged and other stakeholders.
- 2 The Pension Service issued a press release about this on 26 August 2008, which can be viewed online using the following link
<http://www.dwp.gov.uk/mediacentre/pressreleases/2008/aug/pens080-260808.asp>

Impact on LAs

- 3 As in previous years, the national campaign commenced in April and localised activity has taken place in a few regions to date driving take up of Pension Credit. Since this exercise is designed to increase the number of claims to Pension Credit, there may be an associated increase in HB/CTB claims. The experience of previous years' campaigns indicates that any increase is unlikely to be significant, and that no LA should experience an unacceptable surge in new claims. Planning for Pension Credit campaign activity takes account of operational capacity within the business and looks to spread any impacts throughout the year so there are no surges in claims.
- 4 However, in anticipation of the Government's intention to change the rules for backdating Pension Credit claims from October this year, The Pension Service is publicising the fact that up to one year's backdated Pension Credit could be paid if a claim is made before 6 October 2008. This may act as an additional incentive to claim during this period of the campaign.

Change to backdating rules

- 5 Earlier this year, the Government announced a package of measures to streamline the process of administering benefit claims. Part of this package involves reducing the time for claiming Pension Credit and HB/CTB for those who have reached the qualifying age for Pension Credit from 12 months to three months with a corresponding reduction in the period for which claims to HB/CTB for customers of working age may be backdated from 52 weeks to three months.
- 6 Draft regulations to implement the package of changes were considered by the Social Security Advisory Committee (SSAC) which, after carrying out a public consultation on these proposals, recently reported its findings to Government.

- 7 The Government is currently considering SSAC's report. Subject to this consideration, it remains the intention to implement the regulations as presented to the Committee, including the changes to the backdating rules, so that the new rules would come into force from October this year.
- 8 However, it is not possible to confirm if, or to what extent, these measures will come into force until the Government has fully considered the SSAC report and has reached a final decision on implementing the changes. It is expected that the Government will make a formal response to the SSAC report later this month so that regulations can be laid before Parliament in September in order to bring any changes into force from October (subject to the usual parliamentary processes).
- 9 As for Pension Credit applications, it is important that you explain these changes to people claiming HB/CTB so that they are aware of the need to make their claims promptly. An operational circular explaining the details of changes to the backdating rules will be issued as soon as the final arrangements are known.

Queries

- 10 If you have any queries please contact us on
Email: HB-CTB.CLAIMSANDPAYMENTS@dwp.gsi.gov.uk
Tel: 020 7962 8528

Summary and final reports for *Reporting Changes in Circumstances: Tackling Error in the Housing Benefit System (Standard Housing Benefit cases)*

- 11 The **summary and final reports** for the publication, *Reporting Changes in Circumstances: Tackling Error in the Housing Benefit System (Standard Housing Benefit cases)*, will be **available for download** from the DWP website on **Tuesday 9 September 2008**.
- 12 Please use the following URL address which points to the location of the summary report
<http://www.dwp.gov.uk/asd/asd5/summ2007-2008/523summ.pdf>
- 13 Please use the following URL address which points to the location of the final report
<http://www.dwp.gov.uk/asd/asd5/rports2007-2008/rrep523.pdf>

Supportive information

- 14 The following is brief supportive information on
- Reporting Changes in Circumstances: Tackling Error in the Housing Benefit System (Standard Housing Benefit cases)**
by - Jacqueline Davidson and Roy Sainsbury
- 15 “Whilst levels of fraud have consistently decreased in the benefit system, levels of claimant and staff error have not and the reduction of overpayments is now an important policy objective (DWP 2007). The estimated total of HB fraud and error from October 2005 to September 2006 was £760 million (Audit Commission 2008), which represents just over five per cent of the £14 billion total 2005/06 expenditure on HB. Of this, £170 million is estimated to have been lost through fraud, £430 million was overpaid because of claimant error and £160 million overpaid because of official error (DWP, 2007).
- 16 This report presents findings from a qualitative research project to explore Standard HB claimants’ knowledge and understanding concerning changes in their circumstances and their obligations to report them and, as such, complements earlier research which considered a range of means-tested benefits including Jobseeker’s Allowance and Income Support (Irvine *et al.*, 2008). The research was commissioned by the Department for Work and Pensions (DWP) and was carried out by the Social Policy Research Unit at the University of York in 2007-08.
- 17 The objectives of the overall study were focused on the key areas of
- Claimants’ Knowledge and Understanding of Reporting Changes in Circumstances
 - Reporting Changes in Circumstances: Influences On Behaviour
 - Experiences and Consequences of Reporting Changes in Circumstances”

Queries

- 18 If you have any queries please contact myself, the project manager, Richard Zaluski-Zaluczkowski
Tel: 020 7712 2145
Email richard.zaluski-zaluczkowski@dwp.qsi.gov.uk

LA claim processing address – reminder

- 19 The Pension Service issues a pre paid reply slip for customers to return their completed HB/CTB claim forms to the relevant LA. The letters issued to customers also contain a telephone number that customers may contact you on about their claims.
- 20 It is imperative that the details the Pension Service hold are correct and up to date. If you have any changes to your claims processing address or telephone number then please let the HB/CTB Liaison Team know as soon as possible so that we can arrange for our computer systems to be updated.
- 21 Please email any changes to
HB-CTB-LIAISON@THEPENSIONSERVICE.GSI.GOV.UK

Queries

- 22 If you have any queries regarding this please contact Fiona McLeish on
Tel: 0141 245 6946

HB/CTB Circular A12/2008: Extended Payment Schemes – clarification on paras 45 and 110

- 23 *HB/CTB Circular A12/2008, paras 45 and 110* were incorrect and did not clearly state what the regulations meant.
- 24 *Para 45* should have said
- The change will be effective from the Monday following the date of the change of address even if the change of address is a Monday.**
- 25 Regulation 72C (1) (b) provide that the change applies from the Monday following the date of the move.
- 26 Therefore the normal change of circumstance rules under Regulation 79 state that when someone moves out of the LA area, and HB ceases, the change takes effect from the Monday following the change of address, even if the latter is a Monday.
- 27 The regulations are correct.

Example 1

Customer moves on Monday 13 October, the effective date of the change is the Monday following the date of the change – 20 October.

Example 2

Customer moves on 22 October. The effective date of the change is the Monday following the date of the change – 27 October.

28 *Para 110* should have said

The change will be effective from the date of the change of address, even if the change of address is a Monday.

Regulation 73C (1) (b) provides that the change applies from the Monday following the date of the move.

Therefore the normal change of circumstance rule under Regulation 79 states that when someone moves out of the LA area, and HB ceases, the change takes effect from the Monday following the change of address, even if the latter is a Monday.

Example 1

Customer moves on Monday 13 October, the effective date of the change is the Monday following the date of the change – 20 October.

Example 2

Customer moves on 22 October. The effective date of the change is the Monday following the date of the change – 27 October.

29 Please make the necessary amendments to the circular, both hard copies and electronic file copies.

New Tax Credits on CIS

30 It has been identified that some information prior to 9 July 2008 may not be showing correctly on CIS. The discrepancy lies with the Tax Credit payment information. LAST do not require a form LAST 5b in this instance.

31 All Tax Credit payment details after 9 July are correct.

32 For confirmation of the correct payment details prior to 9 July 2008 LAs will need to contact HMRC. The helpline number is 0845 300 3944.

33 All other data discrepancies can be reported to LAST on form LAST 5b as normal.

HB/CTB Circular A14/2008 (Revised) – clarification on student rates

- 34 We have spotted some errors since *HB/CTB Circular A14/2008 (Revised)* was issued **by email** to LAs on 1 September.
- 35 On the front page, under the heading **About HB/CTB Circular A14/2008** the first paragraph should read: '*HB/CTB Circular A14/2008* gave incorrect amounts in Tables A2, B2, C1 and C2. Also, some dates in the example in paragraph 8 have been amended.'
- 36 For convenience, we detail the **additional** changes below
- the example in paragraph 8, line C should read **21 June 2009** instead of 8 February 2009
 - Table A2 final year students living in parental home, the figure should read **£3,235**
- 37 The DWP website version and printed version has been corrected.
- 38 We apologise for the errors and any inconvenience caused and suggest you make the necessary amendments to the circular, both hard copies and electronic file copies

Pension Credit Assessed Income Period reviews

Background

- 39 The implementation of Pension Credit from October 2003 was accompanied by the introduction of Assessed Income Periods (AIP).
- 40 An AIP is a specific period of up to five years during which time eligible Pension Credit customers do not have to report changes to any retirement income they or their partner may have. Retirement income can be made up of Non-State Pensions, savings or investments.
- 41 As the existing AIP periods come to an end the Pension, Disability and Carers Service (PDCCS) will need to determine whether a further AIP period is appropriate. To do this the customer will be asked to confirm if there have been any changes to their retirement income since their last declaration.
- 42 It is estimated that there are around 1.7 million customers who will need to have an AIP review over the next two years, commencing from September 2008.

43 PDCS will undertake this work by the use of several review processes. The following sections will detail the different types of review and the potential impact for LAs. See *Appendix A* at the end of this bulletin for a breakdown of the volume of reviews expected over the next two years in each month including the type of review that is anticipated to be carried out by PDCS.

Rapid Review process

44 From recent research carried out by PDCS it has been established that for many customers there will be no significant change to their retirement income since their last declaration was made.

45 So, to isolate this type of customer and reduce the level of intrusion, PDCS will use data held across the DWP and other Government systems to identify the most likely type of customer not to have any income or savings that will affect their current Pension Credit award.

46 This process has generated the following selection criteria to be present for customers to be considered for the Rapid Review process

- customer/partner have to be aged 65 or over
- existing Pension Credit award has no savings declared over £6,000 or £10,000 (when customer is permanently resident in a care home)
- existing Pension Credit award has no occupational, personal or private pension income declared unless verified as non-increasing
- existing Pension Credit award has no 'Other Income' declared, such as income from boarders

47 Eligible customers for the Rapid Review process will be contacted by post to tell them a new AIP has been provisionally set based on the circumstances detailed in the letter. The customer will be asked to check the details provided and then contact PDCS if there are any changes that they need to report. It is anticipated that around 530,000 Pension Credit customers will be eligible for this new approach over the next two years.

48 The current PDCS and LA processes in respect of HB and CTB will remain wholly unchanged as a consequence of the Rapid Review process. Any customer reporting a change of circumstances as a consequence of the Rapid Review process will be dealt with by PDCS in the normal manner and when the change is appropriate to be notified to the LA, the information will be communicated using the existing Electronic Transfer of Data (ETD) process.

49 It should be noted that as a consequence of the Rapid Review process if the only subsequent change to the claim is the setting of a new AIP period, no ETD will be produced, as this data is not provided as part of the information delivered as part of the current ETD format.

- 50 Pension Credit overpayments identified as a consequence of the Rapid Review process that are not attributable to the customer will be the responsibility of PDCS. If this happens the usual rules for HB/CTB will apply as specified in *para 51*.
- 51 If a reduction in Pension Credit would result in a reduction of HB/CTB, the effective date of change will be the start of the benefit week following the date the LA receives the notification from PDCS. This in effect will mean no overpayment of HB/CTB if the Pension Credit overpayment is entirely due to an error within the existing PDCS procedures.

Assessed Income Period Run On

- 52 Subject to approval of a change in Pension Credit legislation it is proposed that some Pension Credit customers could become eligible for an indefinite AIP starting from 6 April 2009.
- 53 To be eligible the customer must have a non-restricted AIP (five years) in place which spans or is awarded after 06/04/09 where the customer will attain the age of 80 during the related AIP.
- 54 Customers who continue to meet the eligibility criteria will not be required to report any changes to their retirement income unless one of the following circumstances occurs
- a change in their retirement income means the customer could receive more Pension Credit and they should then report the change to PDCS
 - they are in receipt of Savings Credit only and their capital/savings increase to over £16,000 and they should then report the change immediately to the relevant LA
 - a reportable change outside retirement income is declared and as a consequence PDCS determine their existing AIP decision no longer applicable, removing their eligibility to AIP Run On
- 55 It is proposed that all existing customers meeting the criteria for AIP Run On will be notified of the decision during April 2009. It should be noted that this change in isolation will not generate an ETD as details of the AIP are not shown as a variable on the current ETD format.
- 56 As with the Rapid Review process any Pension Credit overpayments identified as a consequence of the AIP Run On decision, which are not attributable to the customer, will be the responsibility of PDCS. If this happens the usual rules for HB/CTB will apply as specified at *para 51*.

Manual case reviews

- 57 Pension Credit awards which require review upon maturity of AIP, but are ineligible for Rapid Review or AIP Run-On, will be dealt with outside the automated process. Approximately 511,000 such manual case reviews will be required between now and 2010. At 31 August 2008, 34,000 of those reviews have currently matured and are being processed by a centralised unit under streamlined arrangements. Normal business process will still apply and any material changes in customers' circumstances affecting HB/CTB will be notified to LAs.
- 58 Scheduling the remaining 477,000 manual case reviews, maturing between September 2008 and October 2010, is in progress and we will advise LAs shortly of our plans including any additional impacts on LA business.

Queries

- 59 If you have any queries regarding this please contact Jim Boyd on Tel: 0141 245 6945.

Appendix A: Assessed Income Period review breakdown

Month/Year	Volume of reviews due	Rapid Review process	AIP Run On appropriate	Manual case review
October 08	90643	41986	0	48657
November 08	66358	33540	0	32818
December 08	65947	33816	0	32131
January 09	48756	21430	0	27326
February 09	74718	35415	0	39303
March 09	76264	36866	0	39398
April 09	79684	22681	36512	20491
May 09	67780	17644	35757	14379
June 09	68350	18013	36354	13983
July 09	71610	18820	38037	14753
August 09	67492	18054	35336	14102
September 09	67631	18012	36118	13501
October 09	69655	18189	37645	13821
November 09	68075	17468	37066	13541
December 09	61235	15633	33558	12044
January 10	44270	11419	22654	10197
February 10	65336	16429	36076	12831
March 10	74407	18351	41626	14430
April 10	83097	19151	46119	17827
May 10	72045	18023	39574	14448
June 10	73953	19325	40509	14119
July 10	74091	19378	40580	14133
August 10	75675	21055	40571	14049
September 10	71773	18451	39956	13366
Total	1678845	529149	674048	475648