

Housing Benefit and Council Tax Benefit Circular

Department for Work and Pensions

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HB/CTB A6/2008

ADJUDICATION AND OPERATIONS CIRCULAR

WHO SHOULD READ	All Housing Benefit (HB) and Council Tax Benefit (CTB) staff
ACTION	1 For information 2 For action from 7 April 2008
SUBJECT	The Social Security (Miscellaneous Amendments) Regulations 2008 (No 698) In Work Credit

Guidance Manual

The information in this circular does affect the content of the HB/CTB Guidance Manual. Please annotate this circular number against

- *BW2, paras W2.314 and W2.584, and W2, Annex C*
- *BW2, para W2.584 and BW2, Annex B, para 10*

Queries

If you

- want **extra copies of this circular/copies of previous circulars**, they can be found on the website at www.dwp.gov.uk/hbctb
- have any queries about the
 - **technical content of this circular**, contact Richard Metcalfe
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Contents

para

**The Social Security (Miscellaneous Amendments)
Regulations 2008 (No 698)**

Introduction	1
Disregard of payments to persons formerly in care	4
Treatment of Public Lending Right payments	7
Cessation of Intensive Activity Period for 50 Plus.....	10

In Work Credit

Background	20
Impact on Housing Benefit/Council Tax Benefit	24
National rollout	26
Queries	34

The Social Security Benefit (Miscellaneous Amendments) Regulations 2008 (No 698)

Introduction

- 1 This circular is to inform you of miscellaneous amendments to the HB Regulations 2006 and the CTB Regulations 2006.
- 2 Regulations 6 and 7 in these amending regulations
 - ensure that payments made by Local Authorities (LAs) to a person formerly in care which are subsequently passed on to the former carer, or a person acting in the place of a former carer, are disregarded
 - treat Public Lending Right payments as earnings, consistent with payments for copyright and royalties, and apply the disregards appropriate for the person's circumstances
 - remove references to the Intensive Activity Period for 50 Plus
- 3 The Social Security (Miscellaneous Amendments) Regulations 2008 (No 698) have now been made and will come into force on
 - the first day of the claimant's benefit week beginning on or after 7 April 2008 for the purposes of disregarding payments made by LAs to children formerly in care which are passed by the child to their carer with whom they still live and the treatment of copyright, royalties and Public Lending Rights payments
 - 14 April 2008 for the purposes of all other amendments

Disregard of payments to persons formerly in care

- 4 Payments made by LAs to young people who wish to remain with their ex-carer beyond the age of 18 are to be disregarded for benefit purposes when the former child in care passes the money to their ex-carer.
- 5 Currently, these payments are treated as the income of the former child in care and are disregarded; the changes to Schedules 5 and 6 of the HB Regulations 2006 and to Schedules 4 and 5 of the CTB Regulations 2006 ensure that the disregard also applies to the ex-carer if the payment is passed to them.
- 6 This change comes into force on the first day of the claimant's benefit week beginning on or after 7 April 2008.

Treatment of Public Lending Right payments

- 7 Payments under the Public Lending Right Scheme 1982 are made in respect of books lent out to the public by local lending libraries in the UK and are currently treated as income other than earnings for HB/CTB purposes.

- 8 The changes to Regulation 37 of the HB Regulations 2006 and Regulation 27 of the CTB Regulations 2006 will allow payments under the Public Lending Right Scheme 1982 to be treated as earnings, consistent with payments in respect of copyright and royalties, thus attracting the appropriate earnings disregard for the claimant.
- 9 This change comes into force on the first day of a claimant's benefit week beginning on or after **7 April 2008**.

Cessation of Intensive Activity Period for 50 Plus

- 10 The Intensive Activity Period for 50 Plus ceased in January 2007 as the age range for Intensive Activity Periods, part of the New Deal programme, was expanded to cover the ages 25 to 59. The references to the Intensive Activity Period for 50 Plus have been removed from Regulations 42 and 49 of the HB Regulations 2006 and Regulations 32 and 39 of the CTB Regulations 2006.
- 11 This change comes into force on **14 April 2008**.

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In Work Credit

Background

- 20 In Work Credit (IWC) was introduced to help more lone parents make the transition from welfare into full time work of at least 16 hours a week. It was originally announced in the 2003 Budget. IWC is being piloted in a total of 22 Districts.
- 21 As part of the extension of New Deal for Lone Parents provision, IWC was rolled out to two trailblazer districts from 28 January 2008. The trailblazer districts are North and North East London and Birmingham and Solihull.
- 22 The London Jobcentre Plus IWC Pilot and trailblazer districts also pay IWC to parents who are part of a couple alongside lone parents.
- 23 Full national coverage will commence on 7 April 2008. IWC will be available to all eligible lone parents in all areas nationally. In addition eligible parents can claim IWC as long as they are resident within any London Jobcentre Plus district.

Impact on Housing Benefit/Council Tax Benefit

- 24 *Schedule 5, paragraph 13 of the Housing Benefit Regulations 2006 and Schedule 4, paragraph 14 of the Council Tax Benefit Regulations 2006* allow for IWC to be fully disregarded for Housing Benefit and Council Tax Benefit (HB/CTB) purposes.
- 25 Customers receiving IWC who move to a non-IWC area prior to 7 April 2008 can continue to receive IWC. It should still be disregarded for HB/CTB purposes.

National rollout

- 26 IWC will be available to all lone parents (and parents in London districts) from 7 April 2008 who
- have a dependent child/children living in the household and are legally responsible for at least one child under 16 years of age
 - in **London districts**, have been claiming one or more of the following for a continuous period of 52 weeks or more prior to moving into work
 - Income Support
 - Income-based Jobseeker's Allowance
 - Contribution-based Jobseeker's Allowance
 - Incapacity Benefit (including credits only)
 - Severe Disablement Allowance
 - Carer's Allowance

continued

- In **non-London districts** have been claiming one or more of the following for a continuous period of 52 weeks or more prior to moving into work
 - Income Support
 - Income-based Jobseeker's Allowance
 - Contribution-based Jobseeker's Allowance
- 27 IWC is a non-taxable weekly payment of £40 per week (£60 per week in London) payable for a maximum of 52 weeks. It will be paid into the claimant's bank or building society account, or an existing Post Office® card account. Very exceptionally, it may be paid by cheque.
- 28 To be eligible, the lone parent must be starting a job that
- is of 16 hours or more per week
 - is expected to last at least five weeks
 - meets the National Minimum Wage
- 29 If applicant is part of a couple (London districts only) they must be starting a job that is
- of 24 hours or more per week
 - expected to last at least five weeks
 - meets the National Minimum Wage
- 30 Applications must be made within five weeks of starting work.
- 31 Lone parents (and parents in London districts) who are starting self-employment are eligible to apply.
- 32 IWC will not be treated as income for HB or CTB purposes.
- 33 Further information about IWC is included on the Department's website, www.dwp.gov.uk/

Queries

- 34 If you have any queries about this subject, contact
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